

TENNESSEE ARC
APPLICATION WEBINAR



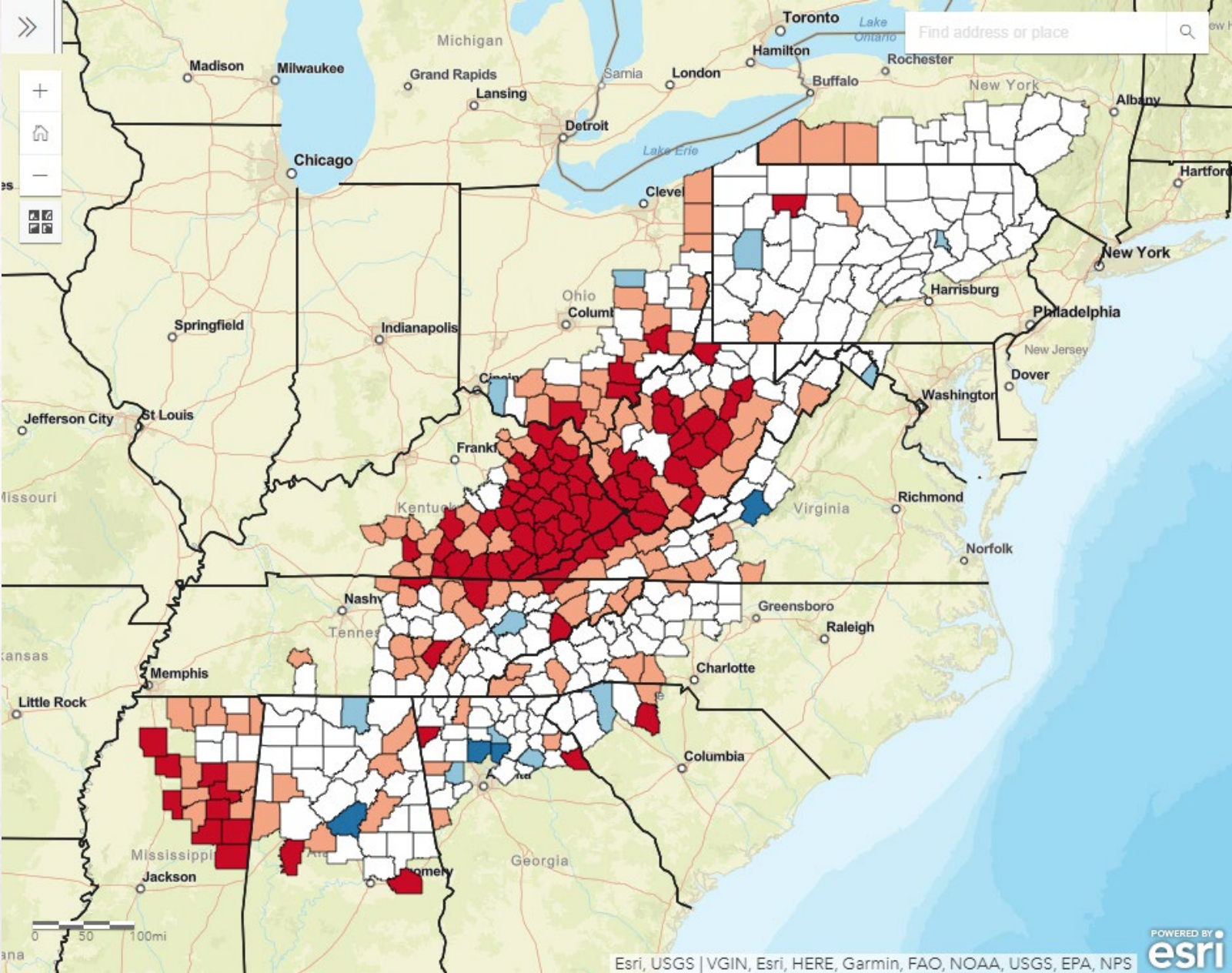
9/27/2023

Agenda

- ARC Region - TN County designations
- ARC and TN Strategic Plans
- TN ARC Budget Overview
- Construction vs Non-Construction Projects
- Yellow Flags
- Performance Measures
- Match
- Common Issues
- Pre-Application and Timeline
- Other ARC Programs



Appalachian Region





Distressed Counties (5)

- Bledsoe
- Clay
- Cocke
- Hancock
- Scott

Match: 80/20



At-Risk Counties (19)

- Campbell
- Carter
- Claiborne
- Fentress
- Grundy
- Greene
- Hawkins
- Jackson
- Johnson
- Lewis
- Macon
- Meigs
- Morgan
- Pickett
- Rhea
- Sequatchie
- Unicoi
- Van Buren
- Warren

Match: 70/30

Transitional Counties (27)

- Anderson
- Blount
- Bradley
- Cannon
- Coffee
- Cumberland
- DeKalb
- Franklin
- Grainger
- Hamblen
- Hamilton
- Jefferson
- Lawrence
- Loudon
- Marion
- McMinn
- Monroe
- Overton
- Polk
- Putnam
- Roane
- Sevier
- Smith
- Sullivan
- Union
- Washington
- White

Match: 50/50

Competitive Counties (1)

- Knox

Match: 30/70

Projects only in distressed areas

[ARC Distressed Area Map](#)

Goals

Objectives

1	Building Appalachian Businesses	Entrepreneurship / Small Business Development	Economic / Enterprise Development				
2	Building Appalachia's Workforce Ecosystem	Education	Workforce Development	Employment Supports	Health		
3	Building Appalachia's Infrastructure	Basic Infrastructure	Broadband / Telecom	Energy	ADHS and Transportation Systems	Site Development	
4	Building Regional Culture and Tourism	Downtown Revitalization / Placemaking	Arts / Culture / Heritage	Natural Resources and Outdoor Recreation			
5	Building Community Leaders and Capacity	Leadership Development	Organizational Development	Community Development			

Tennessee ARC Region Plan

- Building Appalachian Businesses
 - Support entrepreneurs and local businesses; develop the infrastructure needed to create new jobs including broadband infrastructure.
- Building Appalachia's Workforce Ecosystem
 - Provide training opportunities for the current and future workforce; improve the health of the workforce; provide infrastructure and equipment needed.
- Building Appalachia's Infrastructure
 - Provide quality basic public infrastructure in distressed counties and distressed areas; invest in infrastructure that creates jobs in the industrial and tourism sectors.
- Building Regional Culture and Tourism
 - Develop local and regional tourism assets.
- Building Community Leaders and Capacity
 - Plan for strong, sustainable economic development.
- **Elimination of Distressed Counties**

Tennessee ARC

- Continued focus on distressed counties
 - We hope to talk with each distressed county about potential applications
- Check the website before you submit your final application for any changes
- Approximately \$12M available for this year
 - At least \$3M for distressed counties





ARC Project Considerations

- If you have not applied for a federal grant before, contact your local development district (or professional grant writer) to administer the grant for you.
- How does this meet an ARC goal?
- Are there better funding sources available?
- How much do you need? Don't just ask for the maximum amount.
- Is your match committed or speculative?
- What is the source of the match?
- If this is a construction project, who will be the basic agency?



ARC Funding

- **Economic Development projects (job creation)**
 - Applications accepted any time (not just in December)
 - If there is a letter from the company **committing** to the jobs
 - And you have pursued other funding opportunities (FastTrack, EDA, etc.)
 - Grants go to local governments **for infrastructure** and up to \$1,000,000
 - Typical projects: water line, sewer line, and water tank
 - Preliminary engineering/architectural report **REQUIRED** (or CDBG technical documents)
 - This is used for the required **SF424C** budget form
 - Call us if you are thinking about applying to talk through the best project and appropriate funding amount

ARC Funding

- **Construction projects**
 - Preliminary engineering/architectural report REQUIRED
 - This is used for the required [SF424C](#) budget form
 - Grants to local governments for infrastructure and up to \$1,000,000.
 - Typical projects: water line, sewer line, water tank, trails, community facility improvements, industrial site improvements, workforce development facility improvements, childcare facility improvements, etc.
 - Although it is not an economic development project, you must include evidence of local industry demand and how this project improves the local economy

Example PER

PRELIMINARY
ENGINEERING REPORT
ON
WATER TREATMENT PLANT IMPROVEMENTS
For the
TOWN OF TRACY CITY
GRUNDY COUNTY, TENNESSEE

DECEMBER 2021



JAMES C. HAILEY & COMPANY
Consulting Engineers
1619 Galleria Blvd.
Brentwood, Tennessee 37027
(615) 883-4933

Project No. 20201

TOWN OF TRACY CITY
GRUNDY COUNTY, TN

WATER TREATMENT PLANT IMPROVEMENTS

ESTIMATED CONSTRUCTION COST FOR WTP IMPROVEMENT CONSTRUCTION

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT
1	SITE WORK AND GRADING	1 L.S.	45,000.00	45,000.00
2	PIPING AND VALVES	1 L.S.	20,000.00	20,000.00
3	REINFORCED CONCRETE	285 C.Y.	1,450.00	413,250.00
4	PLATES SETTLERS	1 L.S.	60,000.00	60,000.00
5	SLUDGE COLLECTORS	1 EA	45,000.00	45,000.00
6	FLOCCULATION AND MIXERS	5 EA	10,000.00	50,000.00
7	GRATING AND HAND RAILS	1 L.S.	25,000.00	25,000.00
8	MUD VALVES AND GATES	1 L.S.	17,500.00	17,500.00
9	ELECTRICAL	1 L.S.	25,000.00	25,000.00
10	CHEMICAL FEED MODIFICATIONS	1 L.S.	250,000.00	250,000.00
11	CONSTRUCTION CONTINGENCY @ 5.00%			47,250.00
TOTAL ESTIMATED CONSTRUCTION COST				\$ 998,000.00

Meat Processing Facility for Johnson County, TN



Typical Post Framed Metal Clad Building – Example

Preliminary Architectural Report – December 6, 2021
Revised December 8, 2021

REPORT INDEX

- Cover
- Project Overview, General Building Construction Criteria
- Site Plan
- Floor Plan
- Estimate Building Construction Budget



Eric B. Nordmark - Architect - 7360 Big Dry Run Road - Butler, Tennessee 423.768.0413 - Architecture Planning Interiors

Preliminary Architectural Report - December 6, 2021
Meat Processing Facility for Johnson County, TN

page 5

Estimate Building Construction Budget

Site & Building Services	\$ 68,200.00
Post Framed Metal Clad Building	100,000.00
Concrete	50,600.00
Interior Build-Out	81,400.00
Specialties & Equipment	110,000.00
Plumbing	24,200.00
HVAC	33,000.00
Electrical	33,000.00
Budget Contingency	24,000.00
Subtotal	\$ 524,400.00

Procurement, General Requirements

Legal/Survey Costs	\$ 1,000.00
Architect/Engineering Fees	26,000.00
Print/Reproductions	1,000.00
Grant Administration/Environment Review	19,000.00
Contingencies	8,600.00
Subtotal	\$ 55,600.00

Total Estimate Project Budget \$ 580,000.00



ARC Funding

- **Non-construction projects (equipment purchase/ studies/ training)**
 - Grants to local governments, nonprofits, higher education institutions, etc. for capital equipment, workforce development training, feasibility studies
 - Up to \$500,000
 - Required to complete [SF424A](#) budget form

What is a Basic Agency?

- A federal or state public agency experienced at managing federal construction grants
- Required for all construction projects
- TNECD can act as the basic agency



Core Basic Agency Functions



Admin Agent

- Provide basic agency letters
- Offer NTP and other notices
- Certify project completion level
- Provide annual project status report (BAMR)

Compliance Monitor

- Oversee NEPA environmental review
- Monitor compliance with Davis-Bacon, other federal laws
- Others – see Construction Assurances, Grant Agreement, ARC Grant Admin Manual

Fiscal Agent

- Receive ARC funds on behalf of grantee
- Disburse payments on a project completion basis
- Return any unspent ARC funds



BA Processes After Funding

Reporting

- BA submits an annual report to ARC every October on all active projects
- Grantee will be required to submit monthly reports to ECD

Compliance

- Acts as a resource for compliance on federal regulations

Payment Requests and Amendments

- Ensuring completion of project
- Processing changes in scope

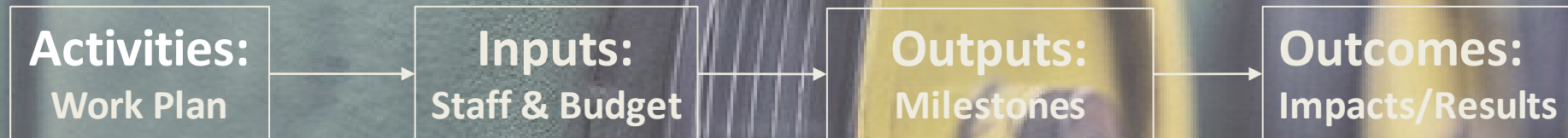
Project Closeout

- Finalizing drawdown of funds, deobligating unused funds, closing account

Yellow Flags

- Municipal services
 - Police/fire department
 - Routine road maintenance/paving
- Healthcare projects without an economic development purpose
- Housing projects
- Public art with no clear economic development purpose
 - Statues and murals
- Speculative buildings with intent to sell to a private company
- Marketing

Performance Measures Logic Model



Performance Measure Guidance



Guide to ARC Project Performance Measures

All ARC projects must have documented output and outcome performance measures. Estimated measures are included in project applications and actual measures are reported in the project closeout reports. This guide lists and defines the performance measures that may be used for ARC projects. Every ARC project must have at least one output measure and one outcome measure from the lists below. Some output measures can be used with a range of outcome measures (these are called "stand-alone measures"), and some output measures must be used with specific outcome measures (these are called "paired measures"). Projects that have paired output and outcome measures may also have a stand-alone output or outcome measure with no corresponding measure.

Stand-Alone Performance Measures

Stand-alone output measures can be used with any of the outcome measures on the stand-alone outcome measures list below.

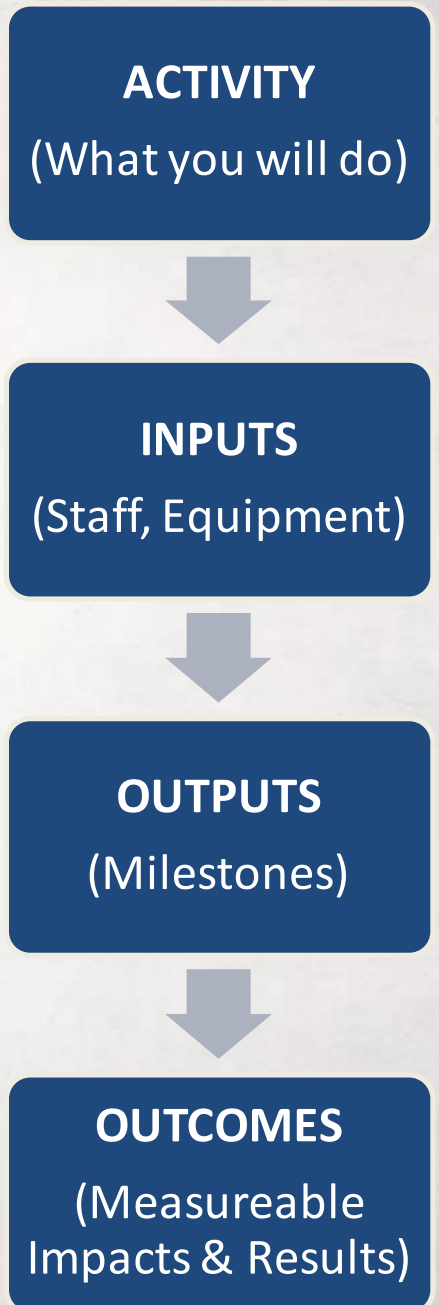
Stand-Alone Output Measures

- access road miles
- acreage
- data--megabits per second (Mbps)
- data--terabytes (TB)
- gas--million cubic feet (MMCF)
- gas--million cubic feet per day (MMCFD)
- heat--million BTU (MMBTU)
- heat--million BTU per day (MMBTUD)
- linear feet
- million gallons (MG)
- million gallons per day (MGD)
- new visitors: days
- new visitors: overnights
- power- kilowatt-hours (kWh) per year
- power--kilowatts (kW)

- plans/reports
- square feet
- waste--tons per day reduced/reused/recycled (TPD)
- waste--tons reduced/reused/recycled

Stand-Alone Outcome Measures

- businesses created
- costs reduced
- housing units constructed/rehabbed
- jobs created
- jobs retained
- leveraged private investment (LPI)
- programs implemented
- revenues increased: export sales
- revenues increased: non-export sales
- telecom sites





Performance Measures

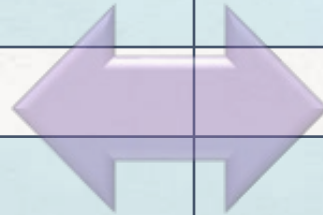
- Each ARC project must have **at least** one output and one outcome
 - Focus on a few major outputs and outcomes that reflect project intent
- Measures are required in the application phase (projected) and at the project end date (actual)
- Most projects use “paired” measures:
 - Students Served → Students Improved
 - Businesses Served → Businesses Improved
- Some projects use “stand-alone” measures:
 - Jobs Created / Retained
 - New Visitor Days
 - Linear Feet / Square Feet of Improvement
- When in doubt, ask ARC or TNECD staff for technical assistance & guidance

Paired

Performance Measures

The output and outcome measures below must be paired as shown:

OUTPUTS	OUTCOMES
Businesses Served	Businesses Improved
Communities Served	Communities Improved
Households Served	Households Improved
Organizations Served	Organizations Improved
Participants Served	Participants Improved
Patients Served	Patients Improved
Students Served	Students Improved
Workers / Trainees Served	Workers / Trainees Improved






Stand-Alone




Performance Measures

STAND-ALONE OUTPUTS
Access Road Miles
Acreage
Energy Capacity (KWh/KW)
Linear Feet
New Visitors: Days
New Visitors: Overnights
Plans / Reports
Square Feet
System Capacity (MGD/MG)

STAND-ALONE OUTCOMES
Businesses Created
Costs Reduced
Housing Units Constructed
Jobs Created / Retained
Leveraged Private Investment (LPI)
Programs Implemented
Revenues Increased: Export Sales
Revenues Increased: Non-Export Sales
Telecom Sites

ARC Performance Measures

PROJECT TYPE	COMMON OUTPUTS	COMMON OUTCOMES
Water, sewer, or infrastructure construction project 	Households served Businesses served MGD capacity Linear feet	Households improved Businesses improved Jobs created Jobs retained Leveraged private investment
Tourism facility, revitalization, or trail construction project 	Communities served Businesses served Square feet Acreage New visitors - days New visitors – overnights	Communities improved Businesses improved Revenues increased- non-export sales (tourism)
Education or workforce development project 	Students served Workers/trainees served	Students improved Workers/trainees improved Programs implemented

PROJECT TYPE	COMMON OUTPUTS	COMMON OUTCOMES
Business development, entrepreneurship project 	Businesses served	Businesses improved Businesses created Jobs created Jobs retained Leveraged private investment Revenues increased- export sales Revenues increased- non-export sales
Local access road project 	Businesses served Access road miles	Businesses improved Jobs created Jobs retained Leveraged private investment Revenues increased- export sales Revenues increased- non-export sales
Healthcare access, health promotion project 	Communities served Patients served	Communities improved Patients improved Programs implemented



Letters: Jobs Created/Retained

- On official letterhead of company creating, retaining jobs
- Number of job openings/hires or jobs retained/improved they anticipate
- Training will likely qualify candidates
- Signature of authorized representative

Match

What Counts as Match?

- Cash
- In-kind
 - Volunteer labor
 - Donations
 - Waiver of fees
- Other grant sources
- Loans

Proportioning Match

State Funds:	\$300,000 (30%)
ARC :	\$700,000 (70%)
<hr/>	
Total:	\$1,000,000 (100%)

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Super Circular”), 2

C.F.R. Part 200 - www.ecfr.gov

2 C.F.R. Part 200.306, Cost sharing or matching

2 C.F.R. Part 200, Subpart E, Cost Principles

Example Match Letter

Town of Tracy City
P.O. Box 277
Tracy City, Tennessee 37387

Phone: (931) 592-6213

Fax: (931) 592-6218

Mr. Logan McCoy
ARC State Program Manager
TN Department of Economic & Community Development
Tennessee Tower Building, 27th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243

Re: ARC Funding – Tracy City Water Treatment Plant Upgrades

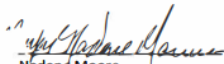
Dear Mr. McCoy:

This letter is written to support the Town of Tracy City grant application to the Appalachian Regional Commission for funding to improve the water treatment service for the Town. Due to funding constraints when the plant was being upgraded in 2015, we were not able to make some of the needed upgrades to the facility, including a settlement basin. As a result, we have had multiple notices of violation from the Tennessee Department of Environment and Conservation Division of Water Resources due to issues of disinfection by-products.

The Tracy City Water Works Department has worked diligently to plan for these upgrades and has set aside \$521,700 funding for the project from their capital budget over the past 5 years. We were also able to get the leftover funds from a 2015 USDA grant reauthorized for the purposes of making these much-needed improvements. Though we have a large share of the funds needed, funding from ARC is essential to making these upgrades. We must act on these improvements to protect the health of our citizens, improve the efficiency of our water treatment and to correct the violations noted by TDEC.

We hope that you will favorably consider our request. Thank you for all that you do for rural and distressed communities in Tennessee.

Sincerely,


Nadene Moore
Mayor-Town of Tracy City


Kevin Byers
Manager-Tracy City Water Works

City of Baxter

P.O. Box 335 • 200 Main
Baxter, Tennessee 38344
Telephone: (931) 858-4111 Fax: (931) 858-5904

November 22, 2021

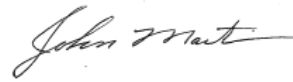
Brooxie Carlton, Deputy Assistant Commissioner
312 Rosa L. Parks Avenue
Tennessee Tower
2nd Floor
Nashville, TN 37243

Dear Ms. Carlton:

The City of Baxter is pleased to provide match funding for the proposed 2022 Baxter Sewer Project, for which we are requesting \$500,000.00 in Appalachian Regional Commission grant funds. As of the date of this letter, the projected match amount from the city is estimated to be \$500,000.00, which is half the proposed total project cost. I am eager to see the continued improvement to critical infrastructure and positive economic impact this project will bring to our citizens.

If you have any questions or require additional information, please feel free to contact me.

Sincerely,



John Martin
Mayor of Baxter

The City of Baxter prohibits discrimination on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status.

RESOLUTION # _____

**BEFORE THE COUNTY COMMISSION
OF
JOHNSON COUNTY, TENNESSEE**

WHEREAS, the County Commission recognizes the need for the construction of a meat processing facility within Johnson County, and

WHEREAS, Johnson County with the assistance of grant funds could construct a meat processing facility; and

WHEREAS, the County Commission understands that the Appalachian Regional Commission (ARC) program provides assistance to counties for this purpose.


NOW, THEREFORE, BE IT RESOLVED that the Johnson County Commission hereby authorizes the County Mayor to make and sign an application for **\$406,000** of ARC funds to assist in the construction of a meat processing facility with an estimated total cost of **\$580,000**.

BE IT FURTHER RESOLVED that the remaining funds for the project in the amount of **\$174,000** will be provided by Johnson County and that the Mayor is authorized to enter into any and all necessary agreements and assurances to implement this application and project.

This Resolution was duly passed and approved on the 17th day of March, 2022.


Mike Taylor
County Mayor

Attest:


Witness
Co. Clerk



Matching Funds – Rate Calculation

Economic Status of County Project will Serve	ARC/Applicant Match Rate
Distressed County	80% / 20%
At-Risk County	70% / 30%
Transitional County	50% / 50%
Competitive County	30% / 70%



Match Documentation Checklist

- Presented on official award notice or letterhead
- Includes dollar amount committed (not %)
- Include signature from appropriate individual
- For real property - must have MAI appraisals (or equivalent)
- For in-kind match, in the budget narrative:
 - Includes description of in-kind contribution (personnel, equipment, contract labor, materials, etc.)
 - Identify each service or good that is used as in-kind.
 - Record the value of each contribution.
 - Detail how you determined the value of each in-kind contribution.
 - Show confirmation from the donor with a signature or official invoice.
- Tracking match source and funding post award
- Tracking after the fact time spent on grant for personnel identified in both ARC and Match funds.

Common issues on ARC Applications

- SF424 dates
 - Too late start date- results in changing the SF424 (not a big deal, but more work for you)
 - **Too early end date** - results in extension. Put longer than you think it will take, especially for construction projects, which can be delayed. 3 years from start date max for construction, 2 years for non-construction. Why not use the whole time period?
- **In SF424c Box 17** “Federal Assistance Requested,” put the ARC ask alone, even if you have other federal dollars in the project, and corresponding percentage of Total Project Cost.
- Put a match letter for each money source, including from applicant and in-kind commitments. We can’t move projects forward unless all other match is committed.
- Make sure you have a **recent** (within the last year or two max) preliminary engineering report for construction projects; pro-forma financial projects for non-construction business projects.

Common issues on ARC Applications

- **Performance measures:** People or entities directly served by your project. Indirect beneficiaries will be considered too, but we won't "count" them.
 - People/entities **served** vs. people/entities **improved**
 - Example: 25 students placed in auto tech training program; we think 15 will pass the certification test and become certified auto technicians.
 - Example: 300 households now have access to a new sewer system rather than using a septic tank; we think 200 households will connect to it.
 - Always good to mention businesses served by projects (we consider a business any non-residential building- school, government office, or actual for-profit entity).
- **Strategic rationale:** Demonstrate the actual need for the project (with numbers or anecdotes if you have them) and how it advances or fits in with regional economic development (referencing a CEDS or municipal/regional planning document if applicable)

ARC ONLINE RESOURCES

- **Research and data** on key economic, demographic, and other factors that affect economic development in Appalachia.
- **County-level maps** on data topics including economic status, education, income, poverty, unemployment, and population.
- **Fact sheets** on Appalachian statistics and on ARC investments and research findings.
- **Investment priorities and special initiatives.**
- **Grant requirements and contracts.**

www.arc.gov

TN ARC Pre-App

Application

At A Glance

Timeline

Pre-Application

Project Title*

Applicant*

Grantee/Legal Entity receiving the grant

Amount of Request*

Amount of Match*

Total Project Cost*

County(ies)*

Application Preparer (Administrator)*

First Name

Last Name

Email*

Engineer*

First Name

Last Name

Email*

Authorized Contract Signatory*

First Name

Last Name

Email*

Project Address*

TN

Department of
Economic &
Community Development

ARC TN Application Timeline

- Pre-Application Workshop
September 27, 2023
- [Pre-Applications Due](#)
December 8, 2023
- Full Applications Requested
Early Spring 2024
- Full Applications due
Early Summer 2024
- Contracts / Projects begin
Late Summer 2024

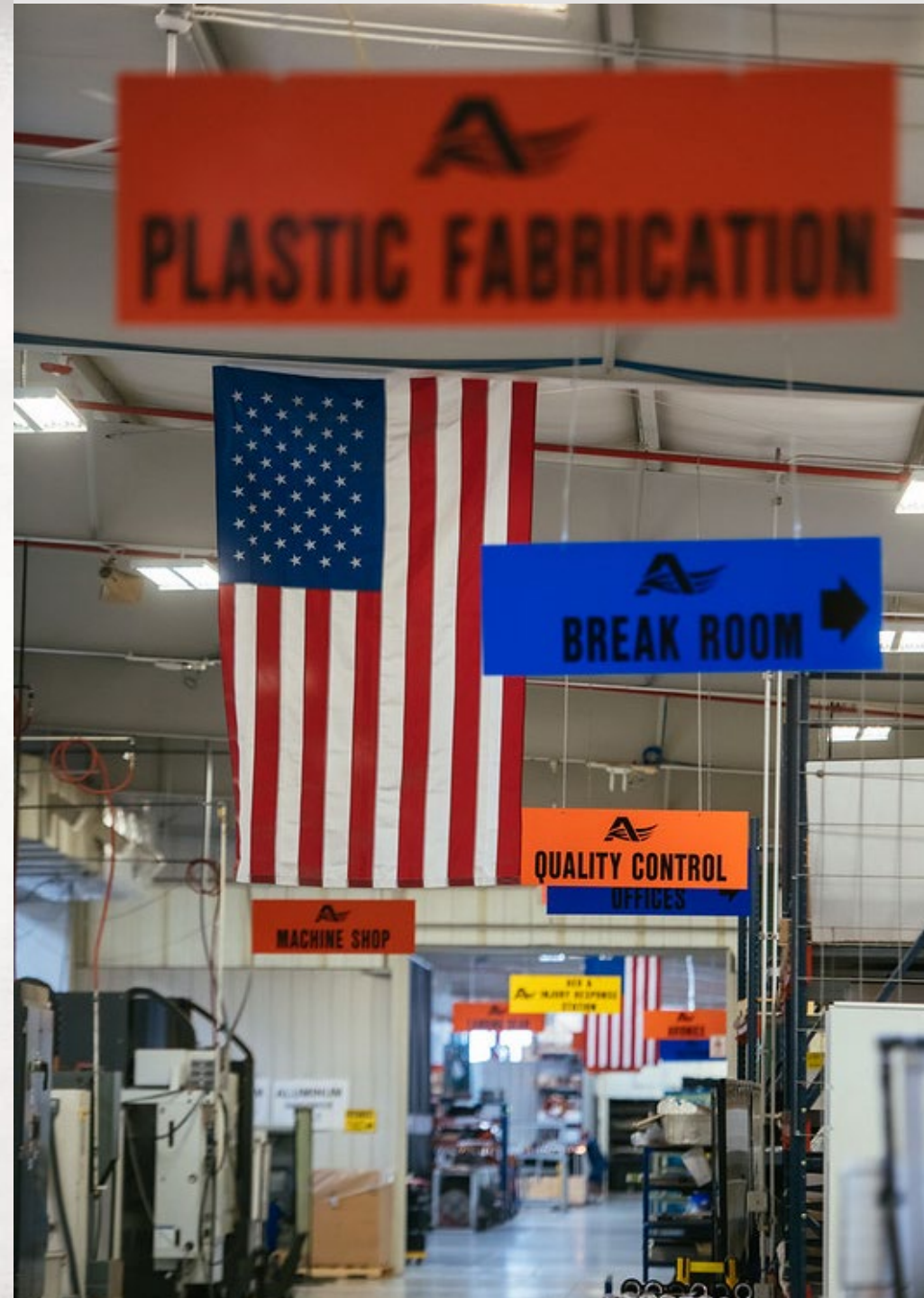
POWER Grants

- Funding to help communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industries.
- Planning up to \$50K/Implementation up to \$1.5M
- Apps open around February 2024
- LOIs due around March 2024
- Apps due around April 2024
- <https://www.arc.gov/power/>



WORC Program

- An initiative that provides enhanced training and support activities to dislocated workers, new entrants in the workforce, incumbent workers, and individuals affected by substance use disorder (SUD) returning to work.
- Managed by the U.S. Department of Labor (DOL)
- Apps typically due in June
- <https://www.arc.gov/workforce-opportunity-for-rural-communities-worc/>





INSPIRE Grants

- Funding to address the substance use disorder crisis across Appalachia by creating or expanding a recovery ecosystem that will lead to workforce entry or re-entry.
- Grants up to \$500,000 for implementation and \$50,000 for planning
- Applications open around January 2024
- Applications due around March 2024
- <https://www.arc.gov/sud/>

ARISE Grants

- An initiative that aims to drive large-scale, regional economic transformation through multi-state collaborative projects across Appalachia.
- Planning up to \$500k, Implementation up to \$10M
- Applications accepted on an ongoing basis
- Project Summary followed by Concept Paper
- <https://www.arc.gov/arise/>





TNECD.com

BROOXIE CARLTON

TNECD ASSISTANT COMMISSIONER, COMMUNITY AND
RURAL DEVELOPMENT, ARC ALTERNATE
BROOXIE.CARLTON@TN.GOV
615-336-2481 (C)

JILL WHITE

ARC PROGRAM DIRECTOR
JILL.WHITE@TN.GOV
615-981-7884 (C)

LINDSAY GAINOUS

ARC PROGRAM COORDINATOR
LINDSAY.GAINOUS@TN.GOV
615-585-1533 (W)



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