



INTRODUCTIONS:

- William Harbeson -- RACP Administrator, 5 years of RACP experience and 33 years of public administration
- Holli Reidlinger -- RACP Administrator, 9 years of RACP experience

TODAY WE WILL EXPLAIN:

- What is RACP
- The RACP Selection Process
 - Selection Criteria/Scoring Matrix
 - Review Process
 - Status Results
 - Funding Rounds
- Business Plan Submission

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TODAY WE WILL EXPLAIN:

(continued)

- RACP Grant Process
 - Application Procedures
 - Reimbursement Procedures
 - Mandated Close-Out Audit Procedures
- RACP Summary
- Questions
- Closing

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NEW GOVERNOR ELECT

- Please be advised that a new administration will be sworn in on January 20, 2014. Therefore, the information regarding the RACP program is subject to administrative change after the aforementioned date. The applicable modification may, either, be slightly or considerably refashioned, contingent upon the plans and priorities of the upcoming administration. The resulting modification will be posted on our website once it is known.

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What is the Redevelopment Assistance Capital Program (RACP)?

RACP is a commonwealth grant program administered by the Office of the Budget for the acquisition and construction of regional economic, cultural, civic, recreational⁷⁷, and historical improvement projects.

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WHAT IS RACP?

(continued)

- RACP projects should:
 - Attract and retain jobs in Pennsylvania by targeting large, economically transformative projects for development
 - Have the greatest financial impact on Pennsylvania's economy
 - Maximize generation of new tax revenue
 - Demonstrate long-term sustainability

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WHAT IS RACP?

(continued)

- To be eligible for a RACP grant, the project:
 - Must be authorized in a Capital Budget Project Itemization Act
 - Must be **at least** \$1M
 - Must have minimum 50% MATCH of eligible NON-RACP funds
 - Must **not** be completed
 - Housing projects can obtain RACP funds as long as they support & generate economic activity, are NOT the only focus of the project and are part of a community revitalization plan⁷⁷

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WHAT IS RACP?

(continued)

- To be eligible for a RACP grant, the project:
 - Must **not** have their main focus be related to funding through other state programs such as PENNDOT or PENNVEST
 - The project must not be located in a City Revitalization and Improvement Zone (CRIZ) **and** be eligible for CRIZ benefits⁷⁷
 - Should be “shovel ready” i.e. ready to begin construction in 365 days or fewer
 - Projects that take longer than 1 year to begin construction will be deferred to a later funding round.

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RACP SELECTION PROCESS

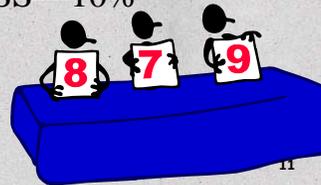
- Once the project meets the minimum eligibility requirements the candidate must then submit a Business Plan to the Office of the Budget (OB).
 - The candidate should refer to the Funding Round Schedules and choose the round that will be closest to the anticipated start date of the project construction.
 - The candidate will need to submit their Business Plan before the deadline of that round.



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RACP SELECTION PROCESS – SELECTION CRITERIA

- Projects that meet minimum eligibility requirements will be scored based upon the following published RACP Scoring Criteria:
 - JOBS (created or retained)—40%
 - COMMUNITY IMPACT—20%
 - STRATEGIC CLUSTERS—5%
 - FINANCIAL IMPACT—25%
 - CONSTRUCTION READINESS—10%



RACP SELECTION PROCESS – REVIEW PROCESS

- Project selections will be made through a transparent process that benefits all interested parties:
 - All project selection criteria, guidelines and the scoring matrix is posted to the Office of the Budget (OB) website.
 - A multi-agency selection committee will be established to determine which projects will receive funding after review of OB staff analysis completed pursuant to published program guidelines.
 - The Governor has final say on all projects.

RACP SELECTION PROCESS – STATUS RESULTS

- A list of all candidates per funding round will be posted to the OB web site.
- The 30 day public comment period begins day of posting⁷⁷
 - Public comments should be:
 - Specific about the project or individual managing the project
 - May contain information or knowledge that OB would not be aware of
 - Can be anonymous but cannot be confidential (all comments are subject to Right to Know)
- All selected projects per funding round will be posted to the OB web site.

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RACP SELECTION PROCESS – FUNDING ROUNDS

- Annual Funding Round(s) will be held for the program:
 - Funding is to be approximately \$125 million each year (i.e. can be adjusted based upon need).

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BUSINESS PLAN SUBMISSION PROCESS

- The Business Plan consists of 12 Tabs
 - A **NEW** Business Plan template, in Microsoft Word format, is available from the RACP web site.
 - All tabs **MUST** be submitted for the Business Plan to be deemed complete and ready for scoring.
 - A new, updated BP in its entirety must submitted for every project (new or **resubmits**)
 - Each tab must be addressed separately.
 - More detailed information on each tab is available on our web site. ▶◀

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BP Tab 1 - Project Eligibility Requirements

- The project must be authorized in a Capital Budget Project Itemization Act.
 - These Acts enumerate projects that are authorized to potentially receive RACP funding (2006 – 2013).
 - Currently there are 6 Acts with almost 4,900 itemizations with over \$25 billion in unused authorization dollars.
 - Be careful! RACP is only 1 of several programs with itemizations listed in these Acts.
 - If an entity has a project that they believe is worthy of RACP funding they can work with their legislator to have their project itemized in a future Capital Budget Itemization Act.
 - Some itemizations are “tailored” to a specific project, others are very general. ⇒

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BP Tab 1 - Project Eligibility Requirements (continued)

- Provide the authorization information in the table provided for Tab 1 either in the Word template or BP Handbook on our web site.
 - A list of available itemizations can be found on our web site via the link entitled "[Itemized Projects Eligible for Funding 1986-Present.](#)"
 - If you don't have an existing itemization that was "made" for your project, you must find one that "fits."
 - Itemizations are available on a "first come, first serve" basis.
 - Three most important factors for an itemization to "fit":
1) location, 2) description, and 3) remaining amount.
 - Multiple authorizations "that all fit" can be used. 

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BP Tab 2 - Project Description

- The Candidate should provide, in as much detail as possible, a project description narrative in an "Overall" and "Proposed RACP Scope" format.
- And the following information:
 - Project Name
 - Address of Project Site
 - Municipality
 - County
 - Name, Address, & District # for:
 - State Representative
 - State Senator



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BP Tab 3 - Economic Impact

- The Candidate must complete an Economic Impact table as shown in the Business Plan Handbook. This table includes information on:
 - Number of new and retained jobs created by project:
 - Full-Time & Part-Time
 - Indirect
 - Temporary Construction Jobs
 - Wage details
 - Tax generation information
 - An Excel template for the Tab 3 is available as the 2nd worksheet in the Tab 12 Excel file available on our web site.



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BP Tab 4 - Community Impact

- The Candidate should provide a narrative on the community impact of the project for all applicable areas described in the Business Plan and supply both the source of data and any applicable supporting documentation.



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BP Tab 5 - Strategic Clusters for Development

- Candidates should provide a narrative if the project is among any of the strategic clusters listed on the next slide.
- It is imperative that the Candidate's narrative be as thorough and complete as possible.
- The Candidate is permitted to include whatever supporting documentation is necessary to support its justification. ⇒

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BP Tab 5 - Strategic Clusters for Development (continued)

- The Governor's plan is to pursue a jobs-focused approach that targets key growth sectors in the following areas:
 - Biotechnology/Pharmaceutical/Life Sciences
 - High Tech & Advanced Manufacturing and Materials
 - Energy Extraction & Mining
 - Business & Financial Services
 - Healthcare/Medical Research and/or Educational
 - Agriculture



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BP Tab 6 - Organizational, Management & Strategic Business Plan

- An organizational, management & strategic plan must be completed.
 - The individuals responsible to accomplish the activities should be identified.
 - Provide a narrative explaining the organizational structure and the plan to execute the project. Include at a minimum the following:
 - Tax Status & Organizational Structure
 - Financial & Operating Status
 - Project Administration
 - **Financial Necessity for the RACP award**



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BP Tab 6 - Organizational, Management & Strategic Business Plan (continued)

- A strategic plan should be completed for the project to include:
 - Business strategy/plan
 - Financial information including **three** (3) most recent years of audited financial statements of the organization
 - Plan for continuing operation of the project



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BP Tab 7 - Statement of Compliance

- The Candidate should provide a signed list of compliance requirements on letterhead. ⇨



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BP Tab 7 - Statement of Compliance (cont.)

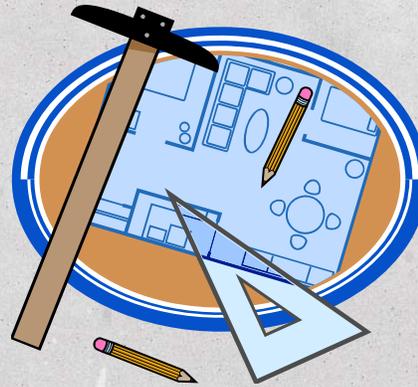
- The list of compliance requirements should include, but not be limited to, the following:
 - Bidding Requirement
 - Steel Products Procurement Act
 - Trade Practices Act
 - Public Works Contractors' Bond Law (Performance Bond & Payment Bond)
 - Pennsylvania Prevailing Wage Act
 - Americans with Disabilities Act
 - Fidelity Bonds
 - Insurance
 - Article 8



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BP Tab 8 - Project Schedule

- The Candidate must complete the Project Schedule information &, if available, submit a detailed project schedule. See the example in the Business Plan. Information will include start and end dates for:
 - Design
 - Bidding
 - Contract Award
 - Permits
 - Construction



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BP Tab 9 - Cash Flow Schedule

- The Candidate should develop a projected cash flow schedule for the project. See the example in the Business Plan.
- The schedule should show all sources and uses of funds and should be based on the following:
 - An estimate of expenditures (uses) with respect to time
 - An estimate of sources with respect to time
 - An estimate of the flow of **reimbursements** from the RACP grant
 - An estimate of the flow of matching sources of funds ⇒

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BP Tab 9 - Cash Flow Schedule (continued)

- Things to keep in mind when doing the cash flow schedule:
 - Bridge Financing/Interim Financing
 - The Candidate may need to obtain bridge financing during the construction of the project.
 - The receipt of reimbursed funds can be an **extremely** lengthy process. The Candidate should plan accordingly when securing interim financing.
 - Secured & Unsecured Funding
 - The Candidate should show the breakdown of secured and unsecured funding. The Candidate should account for the unsecured funding and determine if bridge financing is needed.



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BP Tab 10 - RDA-300 Form (Sources of Funds)

- Form RDA-300 (Sources of Funds) must be completed for the project.
- The form must be **signed** and **dated**. If the Grantee is unknown at this time, the Candidate may sign.
- Use the (Excel) form supplied on the web site.
- If presenting both an overall and narrower RACP scope, provide an RDA-300 for each.
- If available, submit verification of funds at this time.



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BP Tab 11 - RDA-301 Form (Uses of Funds) & Site Control

- Form RDA-301 (Uses of Funds) must be completed for the project.
- No project expense can be paid for prior to the project's Itemization Capital Budget Act's effective date (Legislative Authorization Date).
 - excluding LAND used as MATCH ONLY
- If presenting both an overall and narrower RACP scope, provide an RDA-301 for each.
- Use the (Excel) form that is supplied on the web site.



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BP Tab 11 - RDA-301 Form (Uses of Funds) & Site Control (continued)

- Form must be **signed** and **dated**. If the Grantee is unknown at this time, the Candidate may sign.
 - The project cost estimates MUST be prepared by a qualified professional⁷⁷
 - Provide a statement identifying the qualified professional and provide their title and/or professional qualifications⁷⁷▶◀

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BP Tab 12 - Business Plan Scoring Summary

- The Business Plan Summary is a spreadsheet that summarizes tabs 1 through 11.
 - All items must be filled out or it will result in a ZERO score during the review process.
 - The Tab 12 Excel file as downloaded from the RACP website must be completed, saved, and submitted to OB.
 - Do **NOT** copy & paste the RACP provided TAB 12 Excel sheet into some new creation of your own. Substitutes or modified copies are not acceptable.



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BUSINESS PLAN – SYNOPSIS

- There is a Business Plan checklist provided for your convenience. DO NOT submit it with your Business Plan.
- When the Business Plan is complete, mail entire packet (1 hard copy and 2 CDs or flash drives containing electronic submissions) to:

Attn: Business Plan
 Redevelopment Assistance Capital Program
 Office of the Budget, 18th Floor
 333 Market Street
 Harrisburg, PA 17101-2210



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BUSINESS PLAN – REVIEW

- OB staff will perform the following tasks:
 - Post on our web site a listing detailing all Business Plans received and the 30 day public comment period will begin⁷⁷
 - Conduct an initial review to see if ALL information is submitted and if project is eligible.
 - If a Business Plan is not complete or the project is ineligible, the project evaluation will NOT proceed to the next step.
 - Perform a detailed review of the project based upon the published scoring criteria, submit a list of projects, their corresponding scores, and summary sheets to the Selection Committee. →

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BUSINESS PLAN – REVIEW (continued)

- The Selection Committee, with final approval of the Governor, will determine which projects will be awarded RACP Funds. ◀◀



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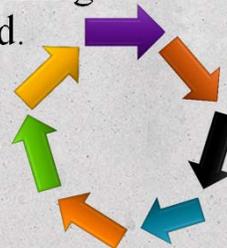
RACP GRANT PROCESS – APPLICATION

- Once an Award Letter has been received, an application must be submitted to OB within six (6) months.
- Follow the RACP Application Handbook (which is on the RACP web site) exactly.
- A state assigned consultant will contact each project to go over the submitted Application.
- The consultant will issue a report to OB
- A Grant Agreement with corresponding special conditions will be written.

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RACP GRANT PROCESS – APPLICATION (continued)

- The Grant Agreement will be emailed to the Grantee for signature.
 - Grantee **MUST** sign and return the agreement to OB within 20 days of email.
- Once signed, the Grant Agreement must be sent back to OB to circulate for remaining state agency signatures to be executed.



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RACP GRANT PROCESS – APPLICATION (continued)

- During this time, the project should be working on satisfying the Special Conditions listed in the Grant Agreement.
- When construction is about to begin or has already begun, contact OB for a facilitation meeting.
 - This meeting will go over items specific to the project and provide directions on how to compile the payment request.
 - Holli Reidlinger at 717-214-5815 or hreidlinge@pa.gov

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RACP GRANT PROCESS – REIMBURSEMENT

- Submit documentation to satisfy special conditions to OB (do NOT submit hard copies...please submit in electronic format)
- Submit payment request to OB
- Payment will be made to the Grantee when all special conditions have been satisfied **and** the payment request has been reviewed for required documentation and compliance.

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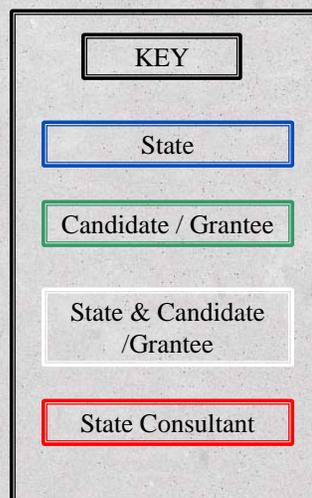
RACP GRANT PROCESS – MANDATED CLOSE-OUT AUDIT

- Once the final payment request has been submitted:
 - Retainage is held on final payment request.
 - Project is placed on a “To Be Audited” list.
- An auditor from the commonwealth will contact each project to conduct the audit.
- Once the audit is complete and the audit report is issued, the auditor will recommend the release of final retainage.

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RACP SUMMARY

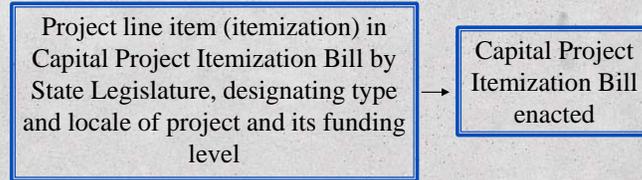
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RACP SUMMARY

Legislative Process



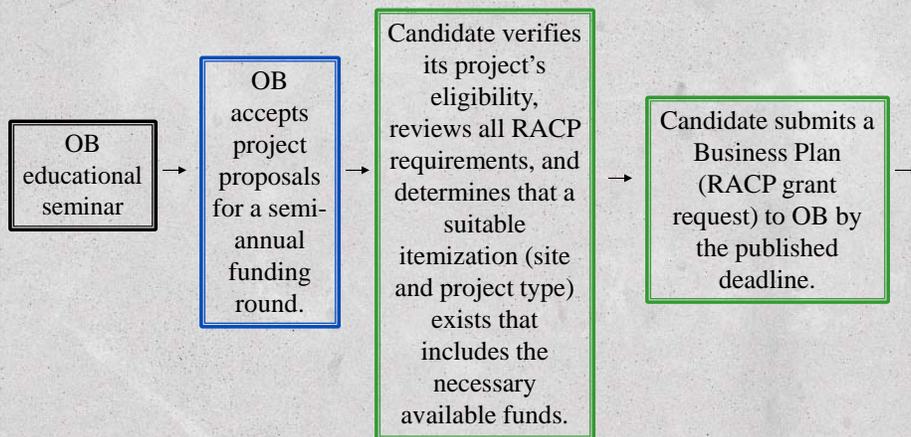
NOTE: Only itemizations with remaining, unused approved amounts are available for funding



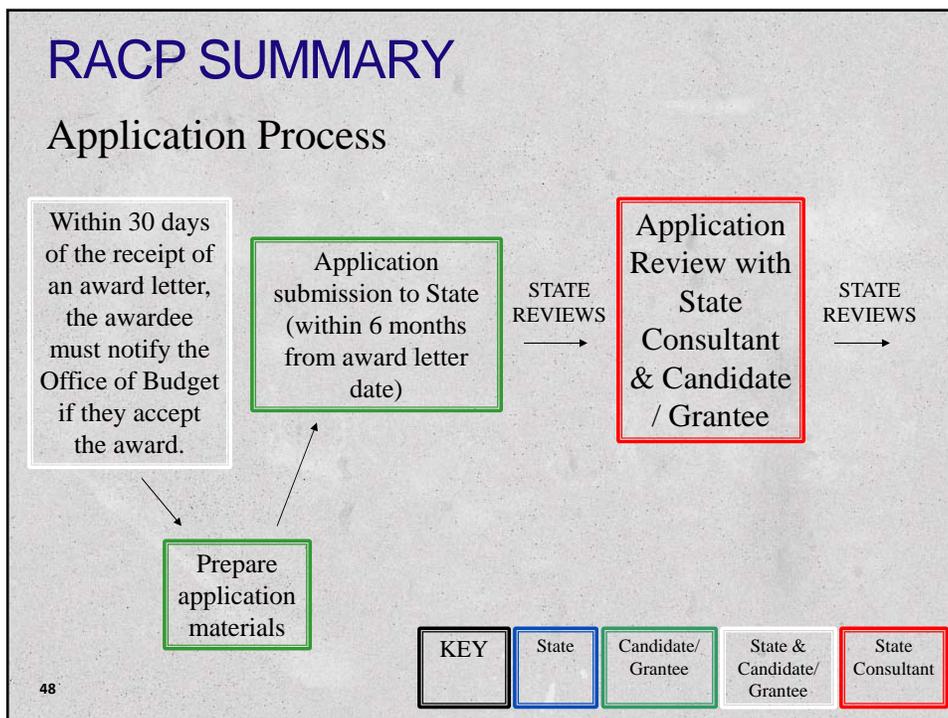
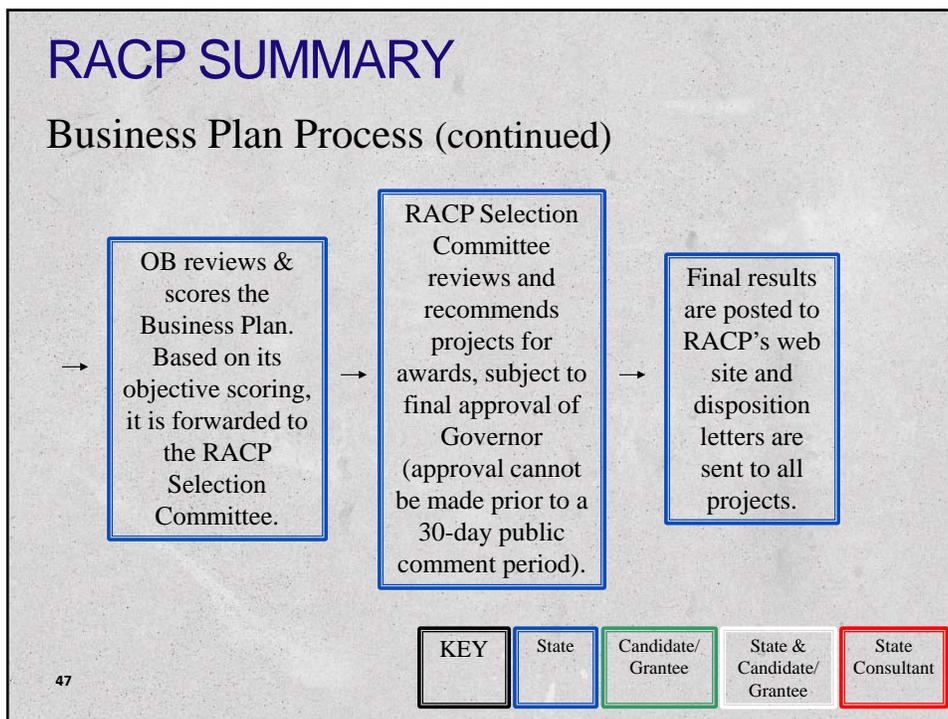
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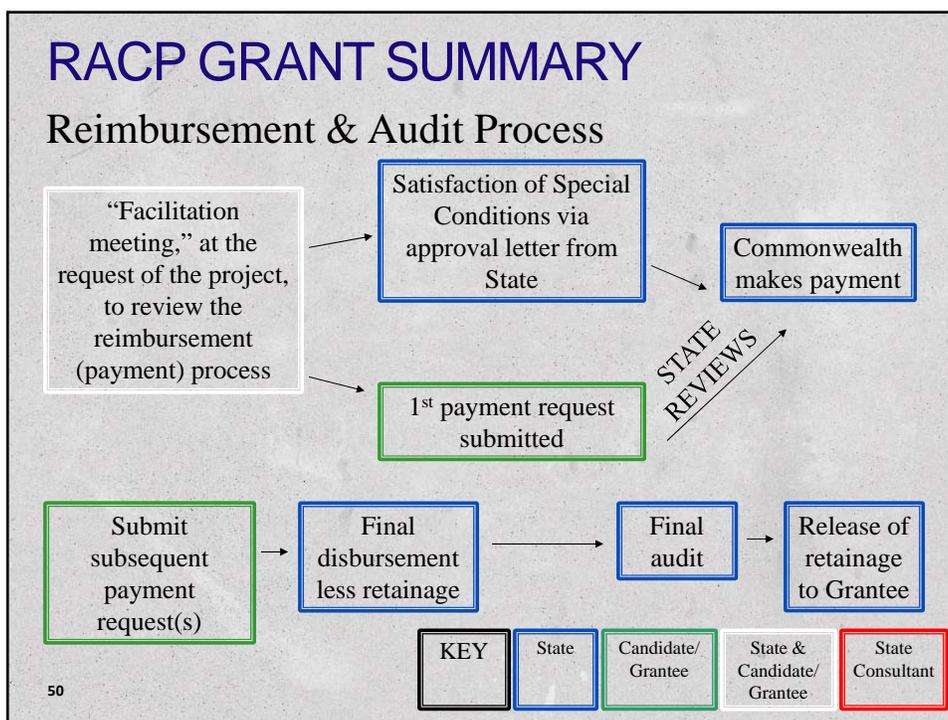
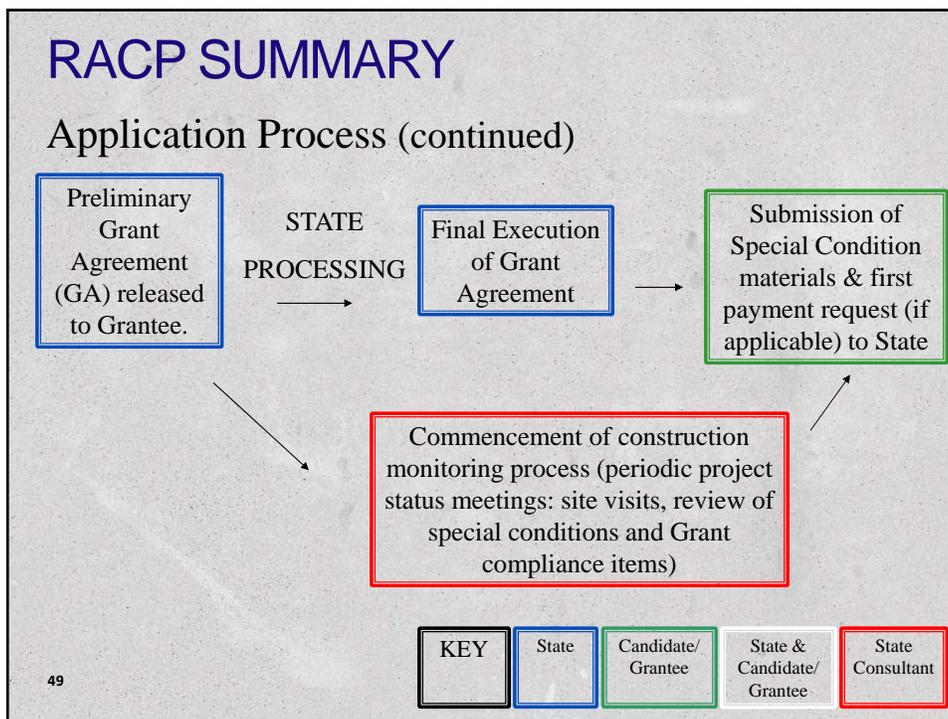
RACP SUMMARY

Business Plan Process

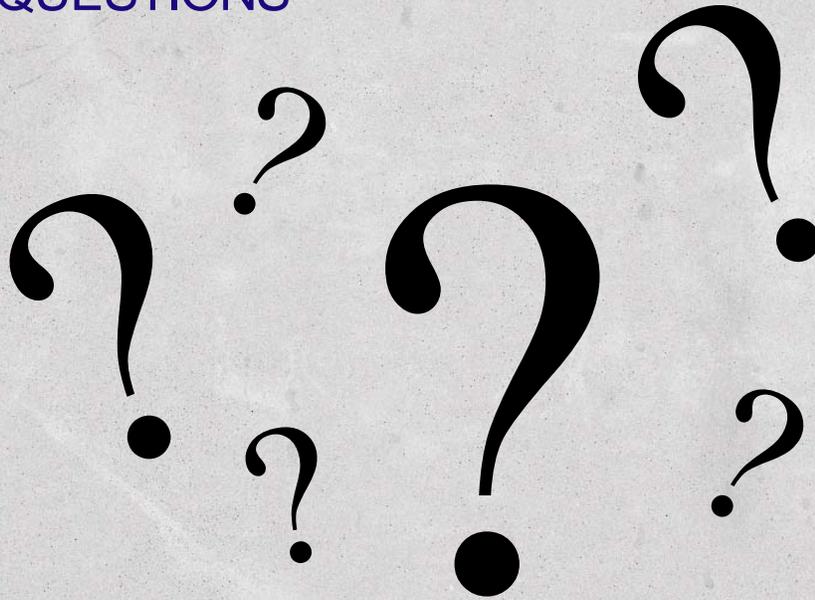


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QUESTIONS



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CLOSING

- Thank you for coming today
- If you have any additional questions after you start to put your Business Plan together, please send them to the following email address:

RA-OB-RACP-PPR@pa.gov



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