

RACP REDESIGN QUESTIONS & ANSWERS FROM JUNE 15, 2012 EDUCATIONAL SEMINAR

1. If candidates have a signed grant agreement but not all the authorized dollars were previously released, do they have to go through the new Business Plan/selection process again to have more released?

Yes, any new funding should go through the new Business Plan process. Redesign would not apply to any drawdowns on the existing grant.

2. Will consideration be given for land acquisition only?

No, there must be construction as part of the project scope in order to be eligible for RACP funding due to the legislation authorizing our program.

3. How should job numbers calculation/determination be made for future construction consisting only of infrastructure?

A best effort should be made at using a methodology that calculates job creation numbers for the whole completed project. Examples of a methodology may be the U.S. Department of Commerce website or industry statistical data. No specific methodology is preferred.

4. When does the one (1) year start time of construction occur for Business Plan submission purposes?

The start begins with the closing date of each funding round. For example, for the 1st funding round in 2012, the requirement to start construction within one (1) year begins on that closing date of 6/29/12.

5. For projects that have started but are not yet complete as of 6/29/12, are they eligible for Business Plan submission and consideration?

Yes, they are fully eligible. Ongoing multi-phase projects will receive consideration.

6. Will special consideration be given to the differing impact that results from the same/equal job creation for small areas...for example, Erie versus large areas, such as Philadelphia?

Even though the scoring in the job creation component will be the same, the Business Plan for the small area may score higher in other components, i.e. community impact. Candidates should not be discouraged because Business Plans may not score well in certain categories.

7. If a project is not selected, will information be automatically turned over to other agencies like DCED/GAT for consideration of funding from them?

Information will not necessarily be turned over but we encourage you to work with DCED and GAT through their funding processes.

8. Who should submit the Business Plan...the candidate or the grantee?

There is no preference. The entity in the best position to supply the information should submit the Business Plan. However, if selected for an award, the application must then be submitted by the grantee.

9. Is there a policy in place for a maximum funding amount that will be awarded per project?

No, there is no preconceived amount. Amounts awarded will be reactive to the type of projects submitted. There is no set allocation per region or per project.

10. Is there any provision for “residential” funding in the future?

No, unless new legislation is enacted. Previously, \$50 million was legislatively allocated, but all funding from those acts has been exhausted.

11. What chance do candidates, such as non-profits with limited funding and with no large job creation as part of their project, have in obtaining RACP funding?

Realistically, candidates probably will not score high in the economic component (job creation); however, we encourage candidates to submit a Business Plan with focus on the community/regional impact and visitors served.

12. Which entity should provide three (3) years of audited financial statements in the Business Plan submission?

The ultimate recipient of the RACP funds, which may be the project owner versus the grantee, should be the one to submit the financial statements.

13. Why do financial statements need to be submitted in the Business Plan?

The focus is to ensure that candidates have the wherewithal to complete the project and also have the financial stability to maintain the project with no going concern issues.

14. Can you clarify the funding that pertains to the four (4) year rule in the Itemization Acts (if funding was not used in four (4) years, the funding was eliminated and is no longer available)?

The rule is only applicable to the Itemization Acts of 1997 and 1999 as part of the sunset provision included in those acts. This only applies if none of the allocation was released. All other projects from any other acts are still eligible.

15. Is any university student residential housing component eligible as scope to be included in the submission of a Business Plan?

No, the residential housing component is not eligible for RACP funding.

16. Will there be follow-up on the job creation component?

Yes, as part of the closeout audit, we already ask recipients to provide actual job creation/retention numbers.

17. How do newly formed single purpose entities with no prior audited financial statements satisfy the required three (3) years submission of audited financial statements?

Those candidates should provide the three (3) years of audited financial statements of their affiliated parties or parent corporations. For example, the forming of a new single purpose entity for tax purposes does not preclude the submission of financial statements.

18. For large projects, is there any advice on how to approach the structuring of the Business Plan, where the RACP scope is a portion of a larger project?

We encourage the Business Plan to be based on the larger project. Multi-phase projects may have to reapply for additional RACP funding in future funding rounds. We cannot commit funds for future rounds.

19. Is there a minimum number of points that projects should achieve in order to be eligible for RACP funding?

There is no minimum threshold for now.

20. Will the scoring be posted on the RACP web site?

No actual scores will be posted, but we will post the selected projects listing their award amounts and a brief project description.

21. What can be done if long-term financing (20 years) is not available for the project?

The project will not score as well for the financial impact component. Given limited funding, we are not in a position to now take that risk.

22. Should the Business Plan focus on a smaller component or the overall larger project, i.e. an industrial park?

The Business Plan should be based on the larger overall project.

23. Will RACP be working closely with the Governors Action Team (GAT)?

Not directly, however, their experience in administering projects makes them a valuable member of the Selection Committee.

24. If a candidate is trying to decide if RACP funding is right for them, who should they contact?

We recommend contacting Bill Harbeson from Office of the Budget or any other RACP administrative staff member. The state assigned RACP consultants can also be a good source of information.

25. Is it advantageous to include letters of support from business leaders in the Business Plan?

The letters of support can be included in the Business Plan; however, they do not have any direct scoring impact. They could be part of the documentation for the community support scoring component.

26. What are the funding round amounts in 2012 and 2013?

There is one funding round in 2012 for the entire \$125 million. For 2013, there will be two funding rounds for \$62.5 million each.

27. Can you define candidate and grantee?

A candidate is the ultimate recipient of funds. They should submit a Business Plan for a project to be considered for RACP funding. Under statute, funding can only be granted to a local government entity (grantee). In the case where the candidate is not eligible to also be the grantee, they need to partner with an eligible grantee for the administration of the grant.

28. Is there going to be any interaction/communication between the candidates and the Office of the Budget staff regarding their Business Plans once they are submitted during the scoring process?

No, we suggest candidates place an emphasis on getting their Business Plans complete and accurate the first time. There will be no interaction after the Business Plan has been submitted through to the awarding of funds.

29. We have a prior authorization act but something has changed about our project (name/scope/location). Do we need to start over with a new Itemization Act?

Most Legislative Authorization Acts are broadly written to avoid this. If the specific name or location listed in the act has changed, then you would need to select a new act. As you can see from the Project Authorizations spreadsheet on our website, there are many acts to identify from for your project to make a new selection. If you have questions or problems, please contact the Office of the Budget for assistance.

30. Would consideration be given to infill projects not in a blighted area but that sit in a rural poor community? How would they score?

We would consider these projects as we would any other project. For an infill project, you could emphasize financial and community development impact since they are important scoring factors.