Checklist for Appalachian Regional Commission Construction Project Applications

This checklist is a guide to the information required for ARC project applications. Please list, in the column at left, the page in your application where the required information can be found. Submit completed applications to your state ARC program office.

SECTION 1: PROJECT NARRATIVE

Formatting instructions: Use the headings below as headings in your project narrative. The suggested length of the narrative is 5-8 pages. Please number the pages.

1. Goals and Strategies

- List the primary ARC goal and the primary ARC objective the project will address (one goal and one objective only). *See ARC Project Guidelines (page 2),* for a list of ARC goals and objectives.
- List the primary ARC state strategy the project will address. See your state's *ARC Strategy Statement* for a list of strategies.

2. Performance Measures & Benefits

- List the expected outputs and outcomes of the project. See the *Guide to ARC Project Performance Measures* for information on identifying outputs and outcomes, and the information below on project-specific requirements. *Note*: if your project has "jobs created," "jobs retained," or "leveraged private investment" as an outcome, attach letters documenting private-sector funding or job commitments.

  #### Project-Specific Requirements
  - **All projects:** If households, businesses, or other organizations will be served or improved, list the number of households (residences) served/improved separately from the number of businesses and other non-residential buildings, such as hospitals, schools, and churches.
  - **Water/sewer projects***:* Estimate capacity constructed or repaired in millions of gallons per day (MGD), in addition to any other relevant performance measures.
  - **Water tank projects***:* Estimate capacity constructed or repaired in millions of gallons (MG), in addition to any other relevant performance measures.
  - **Tourism projects**: Provide numerical (not percentage) estimates of new annual daytime visitors, new overnight visitors, and increased tourism revenues, in addition to any other relevant performance measures.
  - **Business, industrial parks, and speculative building projects***:* include projections for the jobs that will be created, the jobs that will be retained, the businesses that will be served, and the private investment that will be leveraged when the site is complete. List other performance measures if relevant to the project scope.
- Describe other project benefits likely to result from the project (e.g., positive impact on future economic development activity in the area).

3. Project Description

- Provide a one-sentence statement describing the proposed activities and expected outcomes of the project. For example: *This project will extend sewer service to 50 households and 200 businesses in order to create jobs and increase future development.*
- Provide a detailed work plan, including a description of all major project activities (what will be done, who will complete each activity) and a timeline for starting and ending the project.
- Identify the counties where the project will be located and the counties in the project's entire service area. If the project is not county-wide, identify the census tracts where the project will be located and the census tracts in the project's entire service area.

SECTION 1: PROJECT NARRATIVE, cont'd.

- Provide a preliminary engineering report, an architect's report, or a detailed description of all major construction components. Include details, such as linear feet to be constructed, square footage built, acreage served, and timelines for starting and completing each component, and alternative approaches that were considered.
- Identify the organization or agency that will own improvements and provide maintenance for the completed project.
- Attach maps to illustrate the project's service area and detailed maps or schematics that show the route of utility systems, diagrams of building sites, and floorplans of buildings to be constructed.

Project-Specific Requirements
- **For projects where energy-efficiency can be improved** (in the scope of the project), discuss efforts that may have been made to improve the energy-efficiency and green-building practices of the project, as outlined in the *ARC Project Guidelines.*
- **For residential service projects in non-distressed counties,** explain how the project meets the "Policy for Residential Infrastructure Projects" in the *ARC Project Guidelines (page 18)*. Include letters or other documentation from state health/environmental agencies if relevant.
- **For industrial sites or community facilities,** describe approaches to marketing the project to potential users and beneficiaries, including strategic sectors to be pursued and an explanation of who will be responsible for marketing activities. Indicate who will own and operate the property. Describe any plans for leasing or transferring ownership of the property, if applicable.
- **For projects involving the acquisition of land or buildings with ARC or matching funds,** provide an MAI appraisal or a comparable appraisal.
- **For projects involving construction or renovation of a community facility, tourism facility, hospital**, **business incubator, or commercial kitchen**, include 5-year pro forma financial projections to demonstrate sustainability. Projections should be prepared by a third party. ARC may request a financial projection or business plan for other types of constructions projects.

4. Project Rationale
- Describe problems or opportunities the project will address and how these issues impact the community.
- Explain why the proposed activity is the most practical, cost-effective, and beneficial way to achieve the desired results when compared to alternative approaches.
- Provide evidence of the local/regional demand for the proposed project (e.g., letters from key stakeholders, or customer data).
- Describe any partnerships or collaborations with other local community, state, regional, and federal partners in the development of the proposal.
- Explain how the proposed activity represents progress toward addressing a regional strategy, such as a comprehensive economic development strategy or a local visioning process.

5. Project Sustainability and Grantee Capacity
- Describe your strategy for ensuring the project's long-term sustainability once ARC funds are no longer available, and your capacity to manage the facility's long-term operations.

6. Executive Summary
- Provide a 2-page executive summary of project goals, purpose, measures, key activities, and rationale.

SECTION 2: BUDGET INFORMATION AND SUPPORTING MATERIALS

1. Engineer or Architect Budget

- Provide an engineer's or architect's budget detailing line item project costs. The project total from the engineer's or architect's budget should match the total on Standard Form 424. (Note that for construction projects only, ARC does not require a breakdown of expenditures by funding source.)
- If the ARC project is part of a larger, multi-phase project, provide only the detailed budget information that corresponds to the total budget for the ARC and matching funds. Example: a proposed ARC project includes $500,000 of ARC funds and $1.5 million of matching funds. This $2 million project is part of a $10 million multi-phase project. Applicant will provide detailed budget information only for the scope of the $2 million ARC project, and will describe the rest of the larger $10 million project in the Project Narrative section.

2. Non-ARC Funding Commitments

- Identify each non-ARC funding source as federal, state, local, or private; and include a letter of commitment from each funding source that includes the specific amount of funds committed, and states whether the funding is a grant or a loan.
- Provide descriptions of specific in-kind resources, including the methods used to determine their value.
- If match includes donated land or buildings, provide an MAI appraisal or comparable appraisal.

3. ARC Match Rate Calculation

- ARC project match rates are dependent on the economic status of the counties the project serves. If you don't know the economic status of the county or counties your project will serve, see the *ARC County Economic Status and Match Rates* table on the ARC Web site.
- List each county your project will serve and the economic status of each.
- If your project will serve one county, or several counties with the same economic designation, use the table below to determine the ARC match rate for your project.
- If your project will serve more than one county, and the counties have different ARC economic designations, contact your state ARC program manager to identify the match rate for your project.
- ARC funding is not available for projects that serve ARC-designated attainment counties, unless the project's service area includes a distressed county and that county will directly benefit from the project. (Contact your state ARC program manager for more information on projects that serve attainment counties.)

Match Rates

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

4. Additional Documentation

- Enclose pertinent supporting materials that will lead to a better understanding of the proposed project.
- Do not include form letters, financial audits, or utility rate structure information.

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SECTION 2: BUDGET INFORMATION AND SUPPORTING MATERIALS, cont'd.

5. Basic Agency Letter Committing to Administer ARC Funds
- Address the letter to the Executive Director of the Appalachian Regional Commission.
- The letter must state the basic agency's willingness to administer the project, if approved by ARC; the ARC grant amount; the total matching funds amount; the total project cost; the primary contact(s) for financial administration and program management; and the proposed administrative fee, if applicable.
- For projects that will be administered by the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) program or CDBG Entitlement program, the HUD certification form is the basic agency commitment letter.

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SECTION 3: REQUIRED APPLICATION FORMS

- Transmittal letter from state ARC alternate to ARC headquarters. The letter must indicate the amount of ARC funding requested and the source of ARC funding (area development or distressed county funding).
- Federal Standard Form 424 (Include ARC funds and all matching funds.)
- Federal Standard Form 424C (Budget Information)
- Federal Standard Form 424D (Construction Assurances)
- ARC Memorandum of Understanding
- Forms required by state ARC program offices (ARC Form 1 or Form 2 may be required.)

Documents Referenced in this Checklist

ARC Project Guidelines
www.arc.gov/images/newsroom/publications/guidelines/ARCProjectGuidelines.pdf

ARC County Economic Status and Match Rates
www.arc.gov

Guide to ARC Project Performance Measures
www.arc.gov/forms

State ARC Strategy Statements
www.arc.gov

Also See:

ARC Grant Administration Manual
www.arc.gov/forms