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Proposed Rulemaking

Title

Promulgated by:
Arkansas Economic Development Commission

Title 15. Natural Resources and Economic Development

Chapter VIII. Arkansas Economic Development Commission, Department of Commerce

Subchapter C. Community Development Grants

Part 181. Community Assistance Grant Program

Subpart 1. Generally

15 CAR § 181-101. Introduction — Overview.

(a) Pursuant to authority granted by Arkansas Code § 15-4-209, the Arkansas Economic Development Commission shall administer the Community Assistance Grant Program (CAGP).

(b) The objective of the CAGP is to foster the commission's mission ~~statement~~ "to create economic opportunity by attracting higher paying jobs, expanding and diversifying our state and local economies, increasing incomes and investment, and generating positive growth throughout Arkansas" by providing grant funds to non-profit organizations in good standing with the Secretary of State's office, cities of the first class, cities of the second class, incorporated towns, unincorporated communities, counties, or governmental entities of the State of Arkansas for eligible community and economic development projects and eligible non-profit organization projects. The CAGP is a matching program. The applicant may be required to match its grant award with cash, in-kind labor, in-kind materials, or land. Funds for general support, reserves, or other unrestricted cash-on-hand may also be used as a matching source. Such

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determination shall be made based on the application, and not all matching will be waived.

~~(c) All project expenditures shall be completed within eighteen (18) months after the date of the grant award, unless such date has been extended by the commission at the request of the grantee.~~

~~(d c)~~ **Contact information.** For more information, please contact:

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15 CAR § 181-102. Definitions.

As used in this part:

- (1) "AEDC" means the Arkansas Economic Development Commission;
- (2) "Director" means the Director of the Arkansas Economic Development Commission;
- (3) "Eligible applicant" means a non-profit organization in good standing with the Secretary of State's office pursuant to Ark. Code Ann. § 4-33-101 et seq., city of the first class, city of the second class, incorporated town, unincorporated community, county, or governmental entity of the State of Arkansas;
- (4) "Eligible community and economic development project" means a project that effectuates the construction, improvement, upgrading, renovation, retrofitting, equipping, rehabilitation, purchase, or addition of assets owned, leased, or otherwise under the jurisdiction of the eligible applicant including without limitation:
 - (A) Government buildings;
 - (B) Community centers;
 - (C) Transportation infrastructure;
 - (D) Memorials;
 - (E) Parks;

- (F) Amphitheaters;
- (G) Libraries;
- (H) Recreational facilities;
- (I) Fire-protection equipment;
- (J) Cemeteries;
- (K) Utilities;
- (L) Museums;
- (M) Public health facilities;
- (N) Public safety facilities;
- (O) Police equipment;
- (P) Emergency shelters;
- (Q) Recycling centers;
- (R) County fairs;
- (S) Childcare centers;
- (T) Senior centers;
- (U) Youth centers; ~~or~~
- (V) Real estate; or

(W) Training related to workforce development enhancement.

(5) "Eligible non-profit organization project" means a project which effectuates the construction, improvement, upgrading, renovation, retrofitting, equipping, rehabilitation, purchase, or addition of assets owned, leased, or otherwise under the jurisdiction of the eligible applicant, as well as routine repair, maintenance, and operations, including supplies, utilities, training, travel, and other personnel-related expenses, including salaries.

(~~5~~ 6) "Leased" means the grant of use and possession of an asset for a term of at least ten (10) years beyond the date of award of a Community Assistance Grant Program award; and

(~~6~~ 7) "Review Committee" means an ad hoc committee comprising at least three (3) Arkansas Economic Development Commission staff members with grant review and administration experience selected by the Director of the Arkansas Economic

Development Commission, or his or her designee, to review and recommend for funding-eligible community and economic development projects submitted by eligible applicants under the Community Assistance Grant Program.

15 CAR § 181-103. Community Assistance Grant Program funding.

(a) The Arkansas Economic Development Commission may utilize any funds legally appropriated and available to the CAGP to provide grants to eligible applicants for eligible community and economic development projects and eligible non-profit organization projects.

(b)(1) CAGP grants may be awarded, pending availability of funds, at the discretion of the Director of the Arkansas Economic Development Commission, or his or her designee.

(2) The amount of the grant award shall be determined by the commission based upon eligibility criteria, availability of funding, and program demand for funds which may result in grant offers that are less than application requests.

(c) Funds shall not be made available for the following expenditures:

~~———— (1) Routine repair, maintenance, and operation including:~~

~~———— (A) Supplies;~~

~~———— (B) Utilities; and~~

~~———— (C) Salaries;~~

~~(2 1)~~ State or private fairgrounds;

~~(3 2)~~ Principal and interest on any financed debt;

~~———— (4) Any and all travel, training, or other personnel-related expenses;~~

~~(5 3)~~ Obligations incurred prior to grant award;

~~(6 4)~~ Expenditures that are unsupported by documentation;

~~(7 5)~~ Lobbying expenses;

~~(8 6)~~ Purchases of alcohol;

~~(9 7)~~ Entertainment expenses, including meals and activity fees;

~~(10 8)~~ Purchases of material and services that result in benefits accruing to areas outside the State of Arkansas; and

(11.9) Other ineligible expenses identified in the grant agreement. specified at the discretion of the commission.

15 CAR § 181-104. Eligibility criteria.

Applicant eligibility requirements include the following:

(1) The applicant is an eligible non-profit organization in good standing with the Secretary of State's office, a city of the first class, city of the second class, incorporated town, unincorporated community, county, or governmental entity of the State of Arkansas;

(2) The applicant has submitted a completed application, on forms supplied by the Arkansas Economic Development Commission, that has been signed by the governing official authorized by the applicant's jurisdiction to conduct business on its behalf;

(3) The application is for an eligible non-profit organization project or an eligible community and economic development project that meets the objective of the CAGP;

(4) Requested funding is for eligible project costs;

(5) The amount of funding available to any one (1) project in any state fiscal year shall not exceed one million five hundred thousand dollars (\$1,500,000). Award amounts shall be determined by AEDC based upon overall available funding, and award amounts may vary to what was requested by the applicant. fifty thousand dollars (\$50,000);

(6) The applicant must be able to match its grant award with cash, in-kind labor, in-kind materials, or in-kind land at a flexible 20% rate, dependent on project need. The value of all matching, including any in-kind matching, must be documented by bank statements for cash, official cost estimates for in-kind materials and labor, or official appraisals for land. Official cost estimates for in-kind materials and professional labor should document what the material or professional labor would cost if it were not being donated. Community labor being donated is equal to \$18.04 per hour. Official appraisals for land may be in the form of an appraisal from a certified appraiser or a

copy of the property assessment from the county clerk. The amount of matching funds or in-kind donations provided by the grantee will be considered in the scoring process. A match is dependent on the project need, and not all match requirements will be waived. This determination will be made in the application review process.

(6.7) The application is accompanied by a resolution passed by the city council or quorum court, or non-profit board; whichever is appropriate, instructing the governing official authorized by the applicant's jurisdiction to conduct business on its behalf to apply for CAGP funding; and

(7.8) The applicant shall complete the application submittal and review processes delineated in 15 CAR §§ 181-105 and 181-106.

15 CAR § 181-105. Application submittal process.

(a) Potential applicants for CAGP funds shall submit their applications through the AEDC's online grant submission portal, which shall be signed and completed two (2) completed applications signed by the president of the non-profit organization or governing official authorized by the applicant's jurisdiction to conduct business on its behalf, in accordance with Arkansas Economic Development Commission submittal instructions, using forms provided by the commission.

(b) Applications shall include:

- (1) The name, address, and phone number of the applicant;
- (2) The contact person's name, title, and contact information;
- (3) Source or sources, amount or amounts, and use or uses of commission and non-commission funds, including a completed budget delineating cost estimate breakdowns and backup documentation for all items;
- (4) A brief description of the project;
- (5) A statement of project need, including a discussion of any emergencies or urgent needs to be addressed by the project and proposed metrics to assess the effectiveness of the project to meet desired outcomes;
- (6) A list of beneficiaries of the proposed project, how they will benefit, and how they will utilize the project;

(7) A copy of a deed, title, lease, or other instrument showing proof of public ownership or legal possession of properties being improved by this project;

(8) A signed certification letter from the non-profit organization or the governing official authorized by the applicant's jurisdiction to conduct business on its behalf agreeing to accept responsibility for administering any grant award;

(9) A copy of a signed resolution passed by the city council, ~~or~~ quorum court, or board authorizing the local elected official or non-profit to apply for CAGP funds on behalf of the local jurisdiction; ~~and~~

(10) Non-profit organizations shall provide a Certificate of Good Standing from the Secretary of State's office; and

~~(10 11)~~ Other information as requested by the commission.

15 CAR § 181-106. Application review and approval process.

No financial commitment shall be made by the Director of the Arkansas Economic Development Commission, or his or her designee, to an applicant until the applicant has completed the following Arkansas Economic Development Commission review and approval process:

(1) All applications will be date-stamped and reviewed in order of receipt by the Review Committee, assigned by the director, or his or her designee, for completeness and eligibility, including a determination that the:

(A) Applicant is a non-profit in good standing with the Secretary of State's office, city of the first class, city of the second class, incorporated town, unincorporated community, county, or governmental entity of the State of Arkansas;

(B) Application is complete, signed, and includes all attachments;

(C) Scope of the project meets the definition of eligible community and economic development project or eligible non-profit organization project;

(D) Sources and uses of funds are sufficient to ensure the successful completion and initial operation of the project; and

(E) Project costs are eligible for funding;

(2) Applicants may be subject to an interview, a site visit, or both, during the application review process;

(3) The Review Committee may ask applicants for additional information before recommending projects for funding;

(4) The Review Committee will provide a project summary of each project reviewed to the director, or his or her designee;

(5) The director, or his or her designee, may seek the advice of boards and commissions advising the Arkansas Economic Development Commission or other officials with expert community and economic development knowledge in making final funding decisions;

(6)(A) The director, or his or her designee, will specify which applicants may receive funding.

(B) Unsuccessful applicants will be notified in writing by the director, or his or her designee.

(C) Approved applicants will receive a grant award notification letter outlining the amount, terms, and conditions of the funding;

(7) Grant funds will be disbursed to successful applicants;

(8) All project expenditures shall be completed within ~~eighteen (18)~~ twenty-four (24) -months after the date of the grant award, unless such date has been extended by the Arkansas Economic Development Commission at the request of the grantee; and

(9) A final report including cancelled checks and receipts of all funds expended along with the state's portion of any unspent funds shall be submitted to the Arkansas Economic Development Commission no more than sixty (60) days following the project's completion or ~~within the eighteen-month period of the grant award, or~~ other date as approved by the Arkansas Economic Development Commission, whichever comes first.