

## **WINNING THE CONTEST FOR ECONOMIC STIMULUS FUNDING: “American Recovery and Reinvestment Plan”**

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### **The Situation to Date**

The new Administration’s near-trillion dollar economic stimulus plan, now officially called the American Recovery and Reinvestment Plan (“the Plan”), has been widely publicized and already is being pragmatically anticipated by its potential beneficiaries. Early competition for funds reportedly allocated for energy, transportation, and other infrastructure programs has already begun with lengthy reports and press statements being released by organizations such as the U.S. Conference of Mayors, the National Conference of State Legislatures, the National Governors’ Association, and by ad hoc alliances such as the “Build America’s Future” Coalition organized by the Mayor of New York City with the governors of Pennsylvania and California. It appears there will be fierce competition among various groups for whatever federal economic stimulus dollars become available.

Communities interested in accessing funding should not feel that they have already missed out at this early stage of competition. The American Recovery and Reinvestment Plan will be delivered over many months, if not many years. It is, however, always practical to build a community preparedness plan for funding opportunities, such as the \$300-500 million being allocated by the state for various energy efficiency projects, before they arise.

To date, the criteria for obtaining assistance under the Plan have been stated only in relatively generic terms. In late December, the tone of the stimulus package conversation shifted away from long term “green” investments to “shovel-ready” projects with the ability to be turned “quickly.” To qualify as “shovel-ready,” these projects should have all approvals and design in place except financing; have completed a State Environmental Quality Review (SEQR) and other required permitting processes; and should be consistent with the adopted official or comprehensive plan, locally adopted strategy or planning study, and any applicable regional plan. A recent e-mail from U.S. Senate leadership to members of Congress loosely defined qualifying projects as: “Only those items that spend out quickly, create jobs and constitute sound national policy shall be considered for inclusion in the [economic stimulus] package.” Experience teaches, however, that the process of effectively positioning and communicating a major governmental grant application involves detailed “hands-on” advance work, which may be summarized in a Three Step Approach.

The following provides an overview and analysis of the steps which should be taken well in advance of submitting a grant request under the American Recovery and Reinvestment Plan to maximize the likelihood of such a request being approved. The paper focuses on specific actions to implement the step-by-step methods identified. For this analysis, the authors draw on experience and findings from prior grant request engagements as well as the information available to date regarding how administration of the Plan is being formulated.

### **Important Steps to Take to Secure Viable Funding**

#### **Step One - Help Set the Stage on Which Your Project Will Be Auditioned**

The adage goes: “Help make things happen, or things may happen to you.” And that advice should be well considered by governmental leaders and administrators who wish infrastructure or other development projects to be successfully funded for their communities. Divergent views about how the Plan should be executed presently include questions whether grant money should be disbursed to municipalities through their state governments or to municipalities directly, how projects should be prioritized (for example, energy vs. transportation vs. public utilities), and whether such projects should be paid for outright by the federal government as opposed to adopting incentives making it easy and inexpensive for local governments to borrow.

Municipal, county and state governments, and their various agencies and authorities, may help shape the finalized American Recovery and Reinvestment Plan as follows: (a) by promptly communicating their strategic views to the team of advisors appointed by the Administration to construct that economic package, as well as to their own Congressional delegations; (b) by participating in the infrastructure project reports being prepared or updated by their respective professional advocacy associations; and (c) by monitoring regulatory developments affecting the Plan and being prepared to effectively comment on any related federal rulemaking as announced in the Federal Register. All of these communications will have increased effectiveness to the extent they adequately convey preexisting “buy in” from stakeholder groups in the community.

#### **Step Two - Proactively Address Potential Concerns, and Marshal Community Support**

Find out now whether there are interest groups within your constituency which have particular views on American Recovery and Reinvestment Plan projects that otherwise seem needed, but which may inadvertently spark unwanted controversy or opposition. Consideration analysis for prospective projects should include their potential for short- and long-term job creation and job retention, their ability to efficiently leverage private investment, and/or their capacity to create social/economic improvements, such as affordable housing. One approach has come to be known by the acronym “ICE”, that is to Inform, Convince, and Enlist stakeholders through town hall meetings and presentations to groups involved with community development, such as local and regional chambers of commerce, neighborhood or faith-based organizations, and environmental preservation groups.

Conducting a SEQR review, where appropriate, or a similar public information process for potential Plan projects allows communities to have a public conversation about prospective projects and then take official action on a plan or strategy. This process addresses potential concerns up-front and expedites winning

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community support for the formal adoption of a project plan or strategy. In addition, it is anticipated that American Recovery and Reinvestment Plan projects advancing national policy on environmental protection, and those which are “sustainable” as a matter of fiscal return and energy savings, will be preferred over those which have failed to address such considerations. Ideally, projects for which funding is sought should be thoroughly vetted in advance for compliance with state and local environmental laws mandating studies or requirements not necessary under existing federal law. Moreover, it should be determined whether projects comply with popular standards promulgated by nongovernmental organizations, such as the U.S. Green Building Council’s LEED program for construction or renovation.

A checklist for identifying potential “shovel-ready” projects for American Recovery and Reinvestment Plan funding should include, among other things, the following information:

1. Project name/location
2. Level of priority
3. Status of planning/design
4. Status of environmental review
5. Status of any applicable due diligence or legal review
6. Project benefits (e.g., economic/jobs, environmental, energy, government, efficiency, leveraging private investment)
7. Consistency with official plans

### **Step Three - Use Proven Techniques to Make Written Proposals a Joy to Read (and Easy to Approve)**

There are numerous techniques available to make formal grant requests a matter of pleasure reading. Some are astonishingly ministerial but effective (e.g., use of proven forms of visual aids, the right text spacing and type size), while others implicate a professional structuring of the overall presentation. As a general matter, major grant proposals should follow a logical progression of thought such as:

1. State the problem or need thoroughly and in plain English;
2. Describe what the entity seeking Plan funds is prepared to do in response;
3. Explain how the project would be performed and how it would thereby solve the problem;
4. Describe in reasonable detail how execution of the project would be monitored and compliance with its specifications assured, and
5. Document all facts and figures cited with accurate but not overly-technical exhibits.

### **Conclusion**

While this Three Step Approach won’t guarantee that every application successfully secures funding under the Plan, it can help you effectively position and communicate your project for the best likelihood of its ultimate approval.

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**The HB Solutions Economic Development** team provides a full range of economic development and business consulting services to municipalities and quasi-governmental agencies, non-profits, and corporations. Our comprehensive approach helps public and private clients efficiently conduct the strategic planning, economic analysis, and community outreach necessary to ensure the successful execution of projects and multi-year economic development plans. Our trademark is our team's ability to organize and manage the multi-dimensional aspects of major economic initiatives and achieve consensus and collaboration across business, community, and political groups.

**Our services include:**

- **Fiscal Planning**
  - Tax base analysis/risk assessment/dependencies
  - Alternative growth scenarios
  - Projections and financial modeling
  - Leveraging opportunities
  - Asset management/capital plan
  - Community priorities
- **Community Planning and Consensus Building**
  - Public participation strategies
  - Comprehensive plan/zoning and land use
  - Open space and farmland protection
  - Communications
  - Community survey
- **Economic Development Strategy**
  - Fiscal and economic impact analysis
  - Toolbox and partnerships
  - Business retention/expansion
  - Promotion/communications
- **Special Events Planning and Management**
  - Budget and financial planning
  - Host community relations
  - Promotion
- **Due Diligence and Compliance**
  - Confirm background of vendors
  - Legal history of project sites (e.g., environmental issues, bankruptcy of prior owner)
  - Vendor/supplier compliance with trade laws

**Team members include:**



**Kenneth J. Ringler**, team leader and senior business advisor, consults with clients on a wide range of state and local government issues, and establishing best practices for conducting business with government. This consulting includes compliance with procurement contracts and related issues. Mr. Ringler had an extensive career in state and local government in which he served as the Executive Director of The Port Authority of New York and New Jersey, President to the Port Authority's subsidiaries, New York State Commissioner of General Services, Executive Deputy Commissioner at the New York State Department of Motor Vehicles, and First Deputy Secretary of State.



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