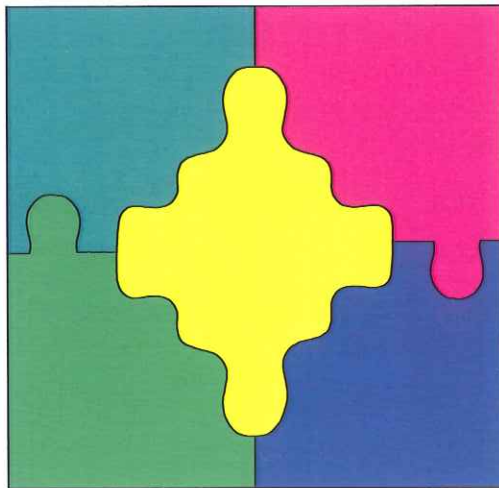


Pieces of a Puzzle : Project Development to Implementation



*A step-by-step guide
to developing a project
in your community.*



How do we get started?

The first step in project development involves identifying specific community needs and issues. This is best done at the local level with community officials, local residents and Lake Cumberland ADD staff participating in the process. The scope or reach of the potential project must be defined and the degree of community support, including potential financial support, must be considered.

How do we pay for a project?

The second step involves identifying and analyzing the various funding alternatives including federal, state, local or private funding sources. Lake Cumberland ADD staff can help determine program or project feasibility by identifying which funding agencies might participate.

A plan and money source...Now, where do we go?

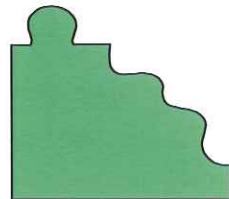
Once a project is deemed feasible, has community support and the support of the elected governing body, the effort to obtain funding begins.

The ADD will work with other project partners to identify all activities that will comprise the full scope of the project or program. Such activities might include land acquisition, site development, building construction, capital equipment acquisition, existing infrastructure expansion(s), infrastructure development, and/or long-term maintenance, operation and management.

LCADD will identify staff members to serve as Project Developer and Project Administrator. This team will coordinate the project and serve as principal contact for the community throughout the application and implementation process.

After the Contract Agreement... What's the next step?

The Project Developer begins to gather necessary data for application writing purposes. Initial efforts might include development of a survey form and training of applicant's surveyors in best survey practice; tabulation and analysis of survey results; assistance in proper procurement, procedures (legal method of selection) for engineering, architectural and/or other professional services as needed, cost estimating and mapping.

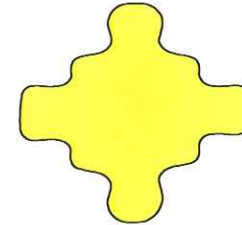


Who prepares the funding application?

Once the preliminary work is completed and basic information obtained, the Project Developer will complete and compile all necessary information to "Package" the application. This process includes scheduling and attending all project/program related meetings; preparing and submitting for publication all required public notices and advertisements; conducting necessary public hearings on behalf of the applicant; and developing and maintaining a record of hearings.

The Project Developer will also prepare and submit all necessary data (including a project narrative, map, cost summary and environmental information form) to the Kentucky State Clearinghouse.

After all of the above steps have been completed and pre-application requirements met, the Project Developer will prepare the final application for applicant and public review and approval. The completed application will then be forwarded to the targeted funding agency (ies).

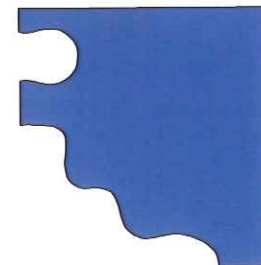


The application has been submitted... Now what?

After the completed application is submitted, the Project Developer will continue to serve as the applicant's liaison with the targeted funding agency(ies) and/or others as appropriate.

Follow-up activities include phone consultation with funding agency personnel; the submission of supplemental information; and travel to Frankfort or other locations for project review meetings.

If funding approval is received, the Project Developer and Applicant will respond to all conditions outlined within the award letter, which may also include an environmental review. The project will then begin transition into the implementation phase.



Potential Sources for Project Funding FEDERAL FUNDING AGENCIES

- **Appalachian Regional Commission (ARC)**
a federal/state governmental concerned with the economic, physical and social development of the 13 state Appalachian region.
- **Economic Development Administration (EDA)**
aids the long range economic development of areas with severe unemployment and low family income problems; aids in the development of public facilities and private enterprise to help create new, permanent jobs.
- **Rural Development (RD)**
works with rural communities to fund projects that bring housing, community facilities, utilities and other services to rural areas.
- **Environmental Protection Agency (EPA)**
provides support for community-based projects, programs and activities that seek to address local environmental, justice and public health issues and enhance environmental, justice and community-based environmental protection.
- **Community Development Block Grant (CDBG)**
a division of the Dept. of Housing and Urban Development accepting applications in the areas of economic development, public facilities, traditional housing, disaster fund housing, community projects, microenterprise development and community emergency relief fund.
- **Federal Budget Line Items**
projects are occasionally selected for direct funding through the federal budget.

STATE FUNDING AGENCY

- **Economic Development Cabinet (EDC)**
the Local Government Economic Development Program with (EDC) makes grants to coal producing counties for economic development projects from funds generated by the state's coal severance and processing taxes.
- **Kentucky Infrastructure Authority (KIA)**
governs the application for and provision of financial assistance (loans) to governmental agencies for the construction of infrastructure projects for both water and wastewater related projects.
- **State Budget Line Items**
projects are occasionally selected for direct funding through state budget.

LOCAL FUNDS

- **Municipal Bonds**
Local governments might look to the sale of municipal bonds to raise funds for projects which are not amenable to federal, state, or grant funding.
- **Lake Cumberland ADD Revolving Loan Fund**
provides "gap financing" for new and expanding businesses. Typical loans are between \$20,000 and \$250,000 with at or below market rates and varying terms.
- **Applicant Cash**
- **Private Donations**
- **Funding Note:** Most projects utilize two or more funding sources to finance a project.

Next Step: Project Implementation

The Implementation Team

Applicant's Authorized Representative

The applicant's authorized representative (such as a city or county official or the chair of a special district or nonprofit organization) is ultimately responsible for the project and should be involved in the construction program implementation process.

If the official or chairperson chooses not to participate in the day-to-day workings of the project, it is strongly recommended that an on-site representative be appointed. The on-site representative should be a qualified individual who will review the day-to-day progress of the project.

LCADD's Project Administrator

The Project Administrator is responsible for overall supervision and coordination of the project on behalf of the applicant. The Project Administrator will:

- manage procurement of professional services;
 - help prepare invitations for bids and contracts;
 - develop the record keeping system;
 - maintain project and contract records;
 - prepare progress reports;
 - prepare and forward grant drawdown requests to the reviewing agency;
 - maintain a schedule of project reports to ensure timely submission; and
 - maintain relationship/communication channel with funding agency(ies).
- The Project Administrator also ensures that financial information is presented in a way that supports decision-making and facilitates audits. Financial duties of the Project Administrator include:
- review financial transactions, budget/expense reports and fund levels to ensure adequate funds are available to complete the project;
 - keep the financial accounting books;
 - process receipts;
 - prepare vouchers and disbursements;
 - assist in meeting financial reporting requirements to participating agency(ies) and
 - communication with the applicant's authorized representative on a regular basis.

The Funding Agency(ies)

The funding agency(ies) is the applicant's source for information or guidance on any issues or problems that may arise in the administration or management of the construction grant project. While the funding agency often works with the project, the project applicant remains ultimately responsible to see that the grant/loan requirements are satisfied.

Professional Engineer or Architect

It is nearly always appropriate and necessary for the project applicant to procure a consulting engineering or architectural firm. The engineer or architect provides technical advice, planning, design, inspection and support services under contract during the planning and construction of a project.

In addition to technical planning and design services, the project engineer or architect is also responsible for:

- on-site inspection of construction to ensure completion and conformance with construction drawing and specifications including review of shop drawings;
- providing expert opinion on changes to the project;
- certifying construction contractor work performed for progress payments;
- maintaining current record drawings and shop drawings at the project site;
- preparing adequate documentation, independent cost estimates and cost/pricing analyses of change orders;
- overseeing contractor performance by periodic review of plans and specifications, shop drawings, and construction schedules; and
- maintaining a listing of warranties that are to be transferred to the city or county.

Applicant's Legal Advisor

The majority of legal advice needed by the applicant is in the area of contract law, although a lawyer may also have to be consulted on issues of legal authority, acquiring property and easements, procurement and resolution of disputes. A city or county attorney serves well as the applicant's legal advisor.

Construction Contractor and Subcontractors

The construction contractor and subcontractors are responsible for project construction and installing equipment in compliance with the contract documents. Contract documents typically consist of the plans and specs, the bid sheet, the bond, the construction contract and attachments. Construction contractors must be procured through an open competitive bidding process in accordance with state law and federal requirements.

How long does it take to complete a project?

Projects take determination, commitment and a steady focus on the ultimate objective: benefiting area residents. Projects, from planning through implementation, can take from 24 months to several years. This lengthy timeline is often due to funding delays or complications which were unforeseen during the planning process, such as a change in project scope, an increase in project costs, difficulty with property acquisition or designer - contractor - owner disputes.

When is a project complete?

Project closure requires the commitment of all involved parties. The Project Administrator will conduct a closeout hearing, prepare closeout documentation and meet the audit requirements of the funding agency(ies) with the owner's assistance. Some funding agencies will issue a letter indicating that the project has been successfully completed. Once all funding agency(ies) requirements have been met, it's on to the next project!

How to Get Started . .

Information and technical assistance in planning your project can be obtained by contacting:

Lake Cumberland Area Development District
 P.O. Box 1570
 2384 Lakeway Drive
 Russell Springs, Ky 42642
 Telephone: 270-866-4200
 Fax: 270-866-2044
www.lcadd.org

Community Development, Economic Development and Planning services available:

- * Business development assistance,
- * Site location assistance,
- * Revolving Loan Fund,
- * Financial Packaging,
- * Mapping,
- * GIS,
- * Grantsmanship,
- * Project Administration,
- * Infrastructure Project Development,
- * Community Project Development,
- * Economic Development Project Development,
- * Planning Services,
- * Housing Project Development,
- * Technical Assistance

LCADD Project Development and Administration Team.....

Darryl McGaha, Executive Director
darryl@lcadd.org

Judy Keltner, Director of Community/Economic Development
judy@lcadd.org

Ronda Abrell, Community & Economic Development Secretary
rondaa@lcadd.org

Waylon Wright, Economic Development Specialist
waylon@lcadd.org

Judy Hachey, Community Development Specialist
judyh@lcadd.org

Martina Hadley, Community Development Specialist
martina@lcadd.org

Chari Bennett, Community Development Specialist
chari@lcadd.org

Neal Cundiff, Planning Director
neal@lcadd.org

Heather Stevenson, Water/Wastewater Coordinator
heather@lcadd.org

Kasey Hoskins, Transportation Planner
kasey@lcadd.org