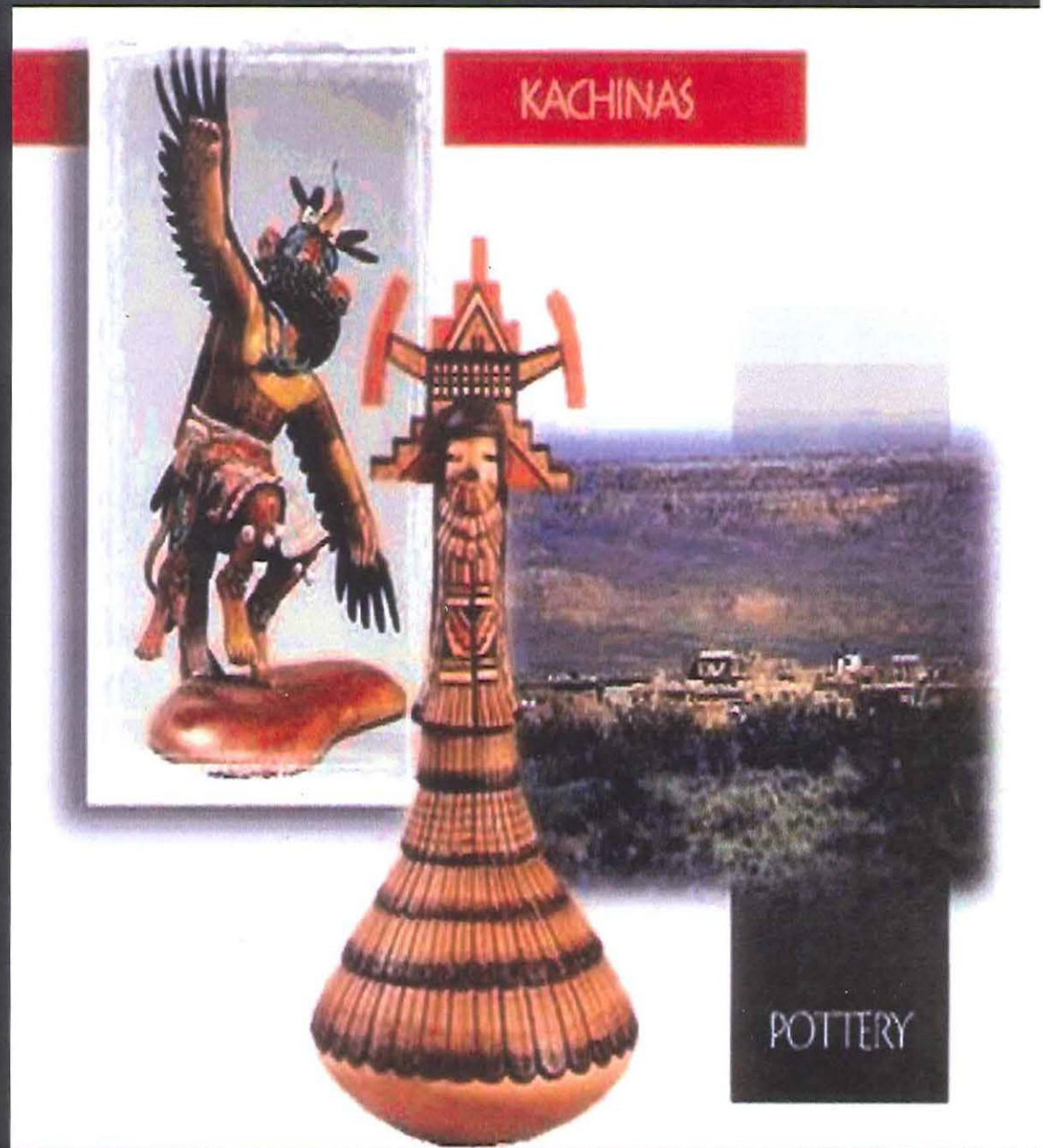


Kykotsmovi Shopping Plaza Evaluation & Phasing Proposal

Prepared for:
*Kykotsmovi Enterprise Board
Inc., (KEB)*

Prepared by:
*School of Planning and the
Community Planning & Design
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Summary

In October 2000, the Kykotsmovi Enterprise Board, Inc. (KEB) contracted with the University of Arizona, School of Planning to conduct a report and architectural study, including graphic representations, of the possible expansion of services to a nearby 13-acre undeveloped parcel. The KEB is also considering options for the existing Village Store for presentation to the community.

The design aspect of this project includes the production of materials to facilitate presentation and discussion of these ideas to the Village of Kykotsmovi residents and other Tribal members. The architectural study will include cultural considerations so as to represent local heritage in development of the new site. This part of the project includes floor plans that reflect consumer needs as well as development options for the parcel.

In addition to a new grocery store, services that could be located either in the existing store or at the new site are considered in this report. The report includes a phasing proposal for developing the new site over the next few years.

Under the direction of Dr. Barbara Becker, Director of the School of Planning in the College of Architecture, Planning, and Landscape Architecture, Gabriela Kinkead prepared the majority of this material with assistance from fellow student Nick Chapin and Grace Evans, Adjunct Faculty. A major resource for this report was the *Kykotsmovi Village Store Proposed Expansion Options: A Feasibility Study*, prepared in January 2000 by the Center for American Indian Economic Development (CAIED) at Northern Arizona University.



Background

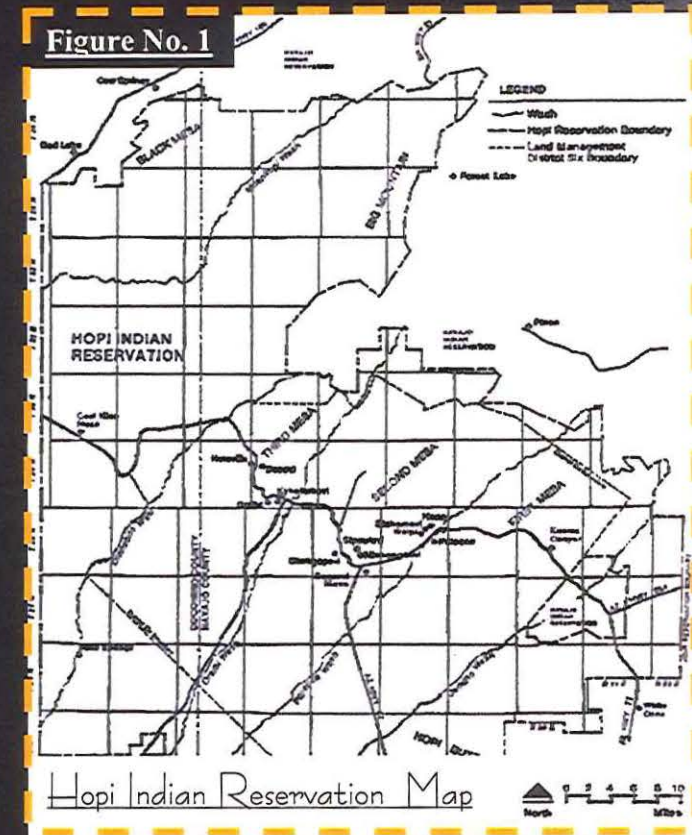
Profile of the Hopi Nation

The Hopi Indian Reservation is situated in the northeastern part of Arizona. With 1,542,306 acres, it occupies part of Coconino and Navajo Counties. The Navajo reservation surrounds the Hopi Reservation, having Flagstaff, Winslow, and Holbrook as neighboring towns.

The Hopi land consists of three major mesas, First, Second, and Third Mesas respectively. The Hopi people have inhabited this area for over a thousand years. Old Oraibi, situated on the Third Mesa and established in 1150 A.D., is the oldest continuously inhabited village in the United States. Although every village is separate and autonomous, the Kykotsmovi village, located as well on the Third Mesa, contains Tribal Offices, making it the heart of the Hopi community.

The principal economic activities developed by the Hopi people based on the Arizona Department of Commerce are:

- 46 % of the employment is under Federally funded programs.
- 54 % is in the private sector such as motels, restaurants, and other services.
- Additional economic activity includes cattle production, tourism, mining, and construction.



Some of the natural and cultural attractions the Hopi land offers include Old Oraibi Village, the colorful rock formations of the mesas and buttes, and the traditional ceremonies and dancing performances throughout the year.



Project Evaluation

The Kykotsmovi Village Store is located in the Village of Kykotsmovi on Third Mesa less than a quarter mile from State Highway 264. KEB, Inc., which operates the store, took over operation on January 1, 1996, from the original owners, the Babbitt Brothers Corporation, which operated the Store as a trading post. Purchase of the Kykotsmovi Village Store was funded with a \$200,000 grant from the Hopi Tribe's Village Grant Program and a little over \$59,000 from Village funds.

Successfully operating from its date of incorporation in 1995, the KEB has been looking at options for improvement and expansion. Two sites are evaluated in this report: first is the 1.148 acre parcel now occupied by the existing Kykotsmovi Village Store; and second is the nearby 13-acre parcel of Tribal land located at the junction of Bureau of Indian Affairs (BIA) Highway 2 and State Route 264.

Limitations on data

Information on the market situation in and around the Village of Kykotsmovi is considered somewhat inconclusive due to residents' cultural practices and beliefs. The geographical remoteness of the Hopi Nation from commercial centers such as Flagstaff and Winslow and the relatively small Tribal population are limits to carrying out a comprehensive market analysis. For this reason, many companies contacted for this report indicated that the Hopi region has yet to be considered a viable market.

The best opportunity to fully investigate Hopi market potential will come in the form of corporate studies for investment at such time as agreement is reached with the KEB. In the following discussion, the two main options the KEB is exploring for the future of the Kykotsmovi Village store are discussed in some detail. Both options take advantage of the existing land and structure that make up the present Village store and both look to the nearby 13-acre site to provide additional service to the Village and the region. The first option is a more conservative approach,



building on what is now offered. The second is a more ambitious alternative, one that will take more time to achieve.

The KEB has expressed some concern about how services and facilities would be distributed between the existing Village Store and new site. The community depends on food service provided at the Village Store. In a community where residents are likely to walk, residents would like to see a bakery operating at the existing store. The KEB therefore wishes to provide the Village of Kykotsmovi with appropriate services at the old location and maximize the revenue potential of building an entirely new store.



Discussion of Alternatives

First Option: Remodel Existing Village Store

The first option is to remodel the existing 11,000 sq. ft. Kykotsmovi Village Store to expand grocery operations and provide space for community services. This option includes removal of the gas pumps located in front of the Store.



Site Constraints and Opportunities:

The existing Village Store is located on an irregularly-shaped one-acre parcel with little room for expansion. Even with the gas pumps removed, the size of the parcel limits good parking design and there is little available area for a loading bay. One of the strengths of the existing building location is that it is physically part of the Village of Kykotsmovi, making it convenient and accessible for many Village residents.

Economic Considerations:

Expansion of existing store services is assumed to result in Village residents increasing their spending at the Village Store. The Store presently captures an estimated 12 percent of total monthly expenditures of Village residents for food and supply staples (CAIED). Because of convenience and necessity, purchases at the store occur regularly. The CAIED study points out that most Villagers also travel periodically to the larger metropolitan areas in the region (Flagstaff and Winslow) to purchase groceries in larger quantities and other supplies such as propane. This pattern clearly impacts the revenues of the Village Store. A new or expanded store with more choices in products and services would be able to capture more of the dollars that now leave the community.

There are two issues regarding expansion of the existing Village Store: 1) the building is not likely to attract a grocery chain or supermarket as a tenant since most of these stores require over 30,000 square feet of retail and warehouse space; 2) the cost of renovation of the existing Village Store has been estimated at over \$100,000. For these reasons, remodeling the existing Village Store to continue or expand the grocery service, is not recommended.

Some limited commercial activities should be retained at the present Village Store (deli or coffee shop), or developed (such as a laundromat and ATM machine) However, the principal revenue-generating operations (such as the grocery store) are likely to be relocated to the new site. It is possible that the Village Store/Community Center would require subsidies from revenues generated at the new site. However, renovation of the existing building could be done in stages, thus expenditures would be spread out over a period of time.



Potential for New Services:

If the building is renovated and the grocery operation relocated, the remodeled building has the potential to provide several new community services such as meeting space, child care, ATM, laundromat facilities, public restrooms, etc. These new services could be added over time as the budget allows. Maintaining some sort of convenience food service at the Village Store, whether the existing deli or providing a small coffee shop with a limited food menu, would be important to maintain the neighborhood feeling of the Store and complement the other services.

The KEB has indicated that they would like to provide a large meeting room in the building; this can be placed in the main store area. Several offices and new public restrooms could be added as well and these changes could make up the first stage of renovation. Other stages of renovation would follow, such as adding an Adult Education and Computer Center, and childcare facilities. Food service could be expanded with items brought over from the new supermarket, deli, and bakery. Another potential service that might be considered for the existing Store would be to have the post office boxes relocated from the existing Post Office so that residents could have access during store hours (it is understood that the Post Office now closes at 5:00 p.m.).





Second Option: Build Grocery Store at New Location



Site Constraints and Opportunities:

The KEB proposes developing the nearby 13-acre site with a grocery store and gas island. This approach shifts the more intensive commercial activities now offered at the Village Store to the new location where they are more accessible from the two major highways that border the new site, BIA Highway 2 and State Route 265.

The new site is located about a quarter mile east of the existing village store. The site is relatively flat with some minor drainage that follows the north- to- southeast slope of the land. The new site is about 80 feet lower than the existing Village Store, located at the foot of the Kykotsmovi Village bluffs. The new site and immediately adjacent areas are largely undeveloped except to the northeast. The Hopi Day School, the existing Village Store, and the Kykotsmovi Post Office are all located to the west with access provided by an unpaved Tribal road. The sewage lagoons are located to the southeast below BIA Highway 2.

Before development can occur at the new location, infrastructure will need to be in place; this includes such facilities as electricity, water, sewage disposal, natural gas, and possibly cable or other high speed communication lines. It will be important to determine the cost to extend these services to the site early in the construction process.

Services at New Site – Gas & Auto:

A decision must be made about the type of gas services the KEB feels will be viable at the new location. There are three basic types of gas services. The first, a pay island, is the simplest type of station to build. It can have four to sixteen pumps in one "island." There is a small booth for a cashier in the center of the pumps and no additional service is provided besides that of gas pumps.

The second type is a service station that offers both gas delivery and some auto repair. There can be up to four service bays to one gas station. The repair service station may be a simple lube station that provides a very specialized type of service or a full service auto mechanic's repair shop. The services offered depend largely upon the interests and abilities of the head mechanic, the availability of good workers, the range of auto-related products offered, and a dependable customer base.



A number of gas stations now provide a third type of service which is the quick-mart or small, limited food service store as part of the station facilities. An important consideration with this alternative is that a convenience store on the new site would compete for the traditional customers of the Kykotsmovi Village Store without adding significantly to the type of food or products now offered to residents.

Services Provided at New Location -- Supermarket:

This option presents the opportunity to attract a large supermarket chain. The KEB has indicated that it would like to build a store of approximately 30,000 square feet, which is just below the average size of all the companies contacted in this report. While enough space is available to build a 30,000 square foot store on the new site, market data may or may not justify a supermarket chain opening at this location. An alternative would be to build a smaller store of 15,000 to 20,000 square feet with plans for expansion once the market proves itself.

Other Services:

A bank branch could be established at the new location, located in the new grocery store. In addition, both Blockbuster Video and Hollywood Video have expressed their interest in locating in Kykotsmovi if a large supermarket were in the area. The KEB has indicated that they wish to develop the entire 13-acre site eventually, and could include the addition of an Internet trading company that showcases local artists, jewelry makers, or farmer's market. Business offices as well as living space could potentially be included on the 13-acre site.

Another idea for consideration is to establish a small lodging facility and dining establishment at the new site. While such a facility would be oriented mainly to tourists, there may be other visitors who would use such a facility, including those traveling to the area on business. There are few places in the region providing overnight travelers' accommodations.

The next section of this report reflects the level of interest expressed by various business owners who were contacted last fall by Nick Chapin regarding the possibility of working with the KEB and the Village of Kykotsmovi. Bashas' Inc. responded recently in writing with additional information (refer to attachment). While the following companies have expressed an interest in having discussions with the KEB and Hopi Tribe, there has been no agreement made nor understanding reached between the authors of this report and the companies discussed below.



Business Contacted

Grocery Chains:

Bashas': This company indicated the most interest in potential development in Kykotsmovi. Bashas' has a long history of developing stores on land owned by other Native American Nations and has a commitment to providing services to these areas. The company indicates an interest in establishing a relationship with the KEB and the Hopi Tribe to explore providing service to Kykotsmovi and the Hopi people.



A Bashas' spokesperson noted that while their average store is around 36,000 square feet, they may be willing to move into a pre-built structure that is smaller than their average store. An example of this is the 17,000 square foot building in Sells, Arizona, which Bashas' operates. The Bashas' representative indicated that they would be willing to work with Kykotsmovi to establish a specific package that would suit Kykotsmovi if at all feasible. Refer to letter of June 20, 2001 from Mr. John Basha regarding this proposal.

Safeway:

A Safeway Company representative indicated that they are very interested in developing a store in the Hopi Reservation; however, they possess limited market information. The average Safeway store is approximately 34,000 square feet. The spokesperson suggested that any communication with the KEB and the Hopi Tribe would be welcomed.

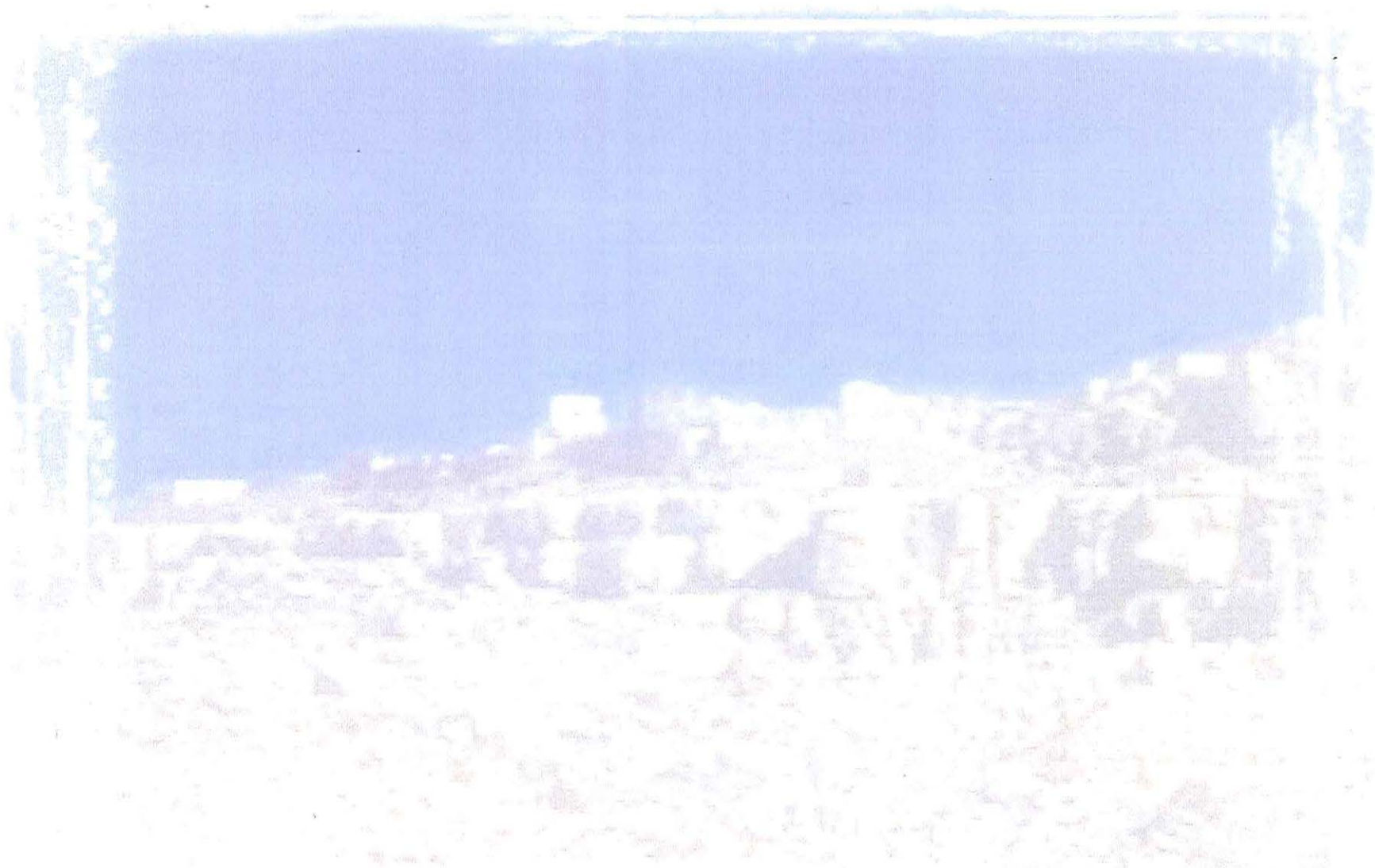
Fry's Food and Drug:

A representative of Fry's supermarket chain indicated that they are willing to develop in the Kykotsmovi area; however, as of yet they have not seen the appropriate market potential to do so. Fry's stores average from 33,000 to 36,000 square feet and are dependent on a "well rooted" pharmaceutical market as well as a food market. They do not yet see the market potential for their pharmaceutical services in Kykotsmovi. Despite this, Fry's Food and Drug has indicated a willingness to talk with the KEB and the Hopi Tribe about the possibility of a store.

Albertson's:

While the original expression of interest by Albertson's was limited, they have more recently expressed interest in exploring the opportunity of a new store within the Hopi Nation. Albertson's usually requires a store to average around 38,000 square feet. At present, they have not performed any extensive market study in the area and have not considered the option of development in Kykotsmovi. The Albertson's Company also noted that it might prove difficult to transport many of their products to the Kykotsmovi area. However, they have indicated some interest in talking with KEB and the Hopi Tribe about future possibilities.





Gas Stations



Exxon:

Exxon Gas Company representatives have expressed interest in providing service in the Hopi Nation. This company noted that the largest potential problem would be the cost of shipping fuel to the location, but they are willing to meet with the KEB. Exxon did not indicate whether it had performed any market studies in the area.

Texaco:

The Texaco Company expressed a similar level of interest in moving into the Kykotsmovi area as Exxon. Texaco also cited shipping costs of fuel as a potential problem, but the company indicated that talks with the Hopi would be welcomed. It is important to note that Texaco is going through a possible buy-out and merger that may affect the interest presented in this report.

Uniroyal 76:

The Uniroyal 76 Company expressed an interest in talking with the KEB and indicated that the possibility of a service station in Kykotsmovi area was of interest.



Blockbuster Video:

The Blockbuster Video Company indicated that the market studies they have produced have yet to show a possible market for their services in the Kykotsmovi area. However, Blockbuster reported that the development of a large supermarket chain would dramatically change their analysis and they would be very interested in discussing the potential for a store location with the Hopi Tribe and the KEB.

Hollywood Video:

As is the case with Blockbuster, Hollywood Video indicated that development of a large supermarket chain in Kykotsmovi would have a dramatic effect on their view of market potential in the area. Hollywood Video asked to be contacted at such time as a large supermarket commits to develop.

Banking:

The Norwest Bank branch outside of Flagstaff reports that it is waiting for the space to become available to provide service to Kykotsmovi. The bank is extremely interested in moving into the area and looks forward to working with any of the proposed options presently being considered by the KEB.

Laundromat Services:

The laundromats contacted indicate that the biggest downside to the business is the energy cost for running clothes dryers. Also, maintenance of the necessary machinery was cited as posing an economic limitation; however, it was indicated that a well-managed laundromat that gets regular use rarely loses money.

Bakery Services:

The KEB has identified the availability of fresh bakery goods as an important need. The best option for providing bakery goods to the Village appears to be through a supermarket. Supermarket chains all include bakery services as a key component in their stores; all indicated a bakery would be provided in a Kykotsmovi grocery store. Establishing a private bakery can be costly. The initial investment for the necessary equipment can cost up to \$30,000 (a large bakery). Success is largely based on repeat clients. While this might not be a problem for a bakery in Kykotsmovi, determining the proper size for such an operation is more difficult.



Site Analysis

Project Overview

This contextual analysis will serve as input for the site design of the project. The project is subdivided into three phases, which are:

Phase I

Gas & Auto Services
Grocery store

Phase II

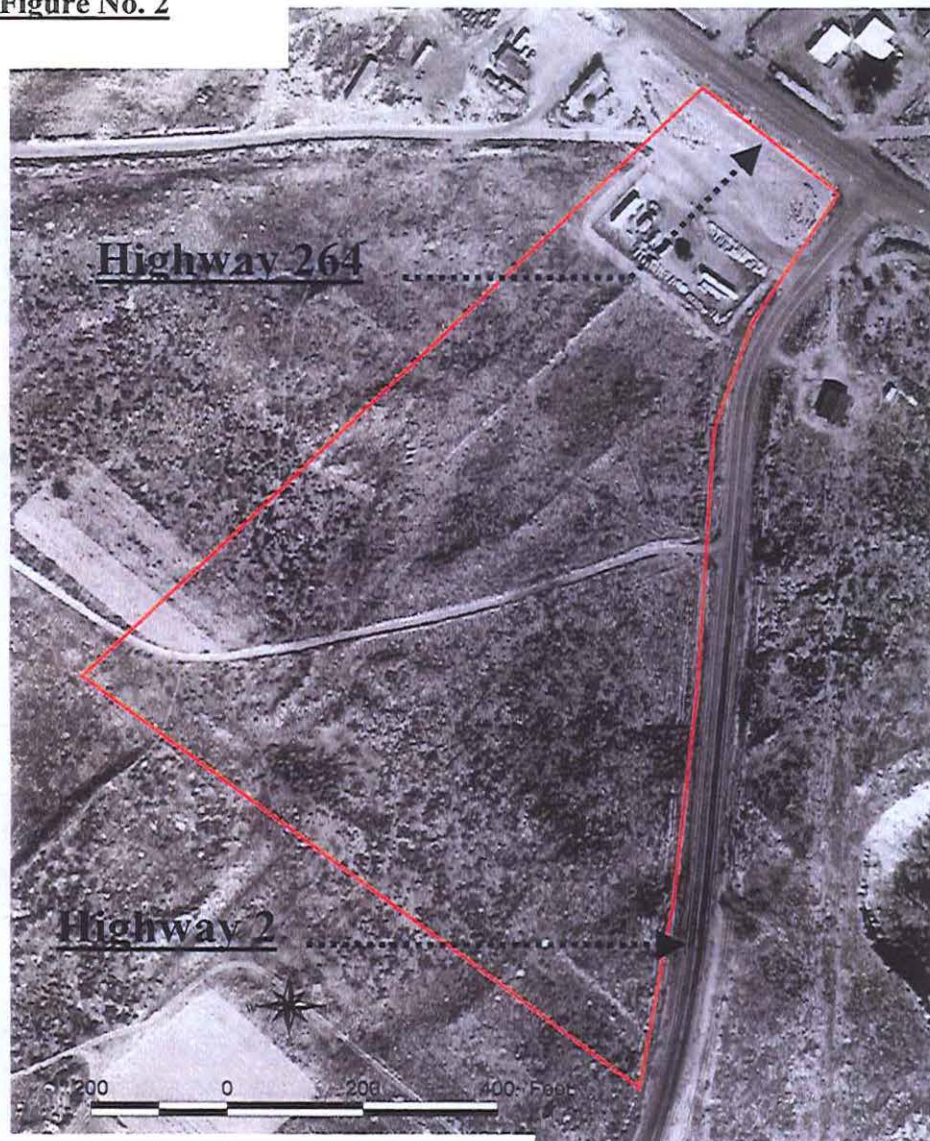
Plaza Area
Artisans workspace

Phase III

Guest Lodging
Tourism Amenities



Figure No. 2



General Site View

Site Overview

The project site is located on the Third Mesa in the Kykotsmovi Village, bounded by Highway 264 to the north, to the south and west undeveloped land, and to the east with Highway 2.

Existing Features:

- The site is approximately 13-acre.
- Oraibi main wash is located 1/4 mile east of the site. Shallow drainage ends at this wash.
- Utilities such as a three-phase electric system, water & sewer are close to site.

Overall Design Guidelines:

- External and internal views from and to the site.
- Circulation patterns and connections.
- Pedestrian access.
- Southwest design style.

Hopi Cultural Design Guidelines:

- Building entrances facing east.



Figure No. 3

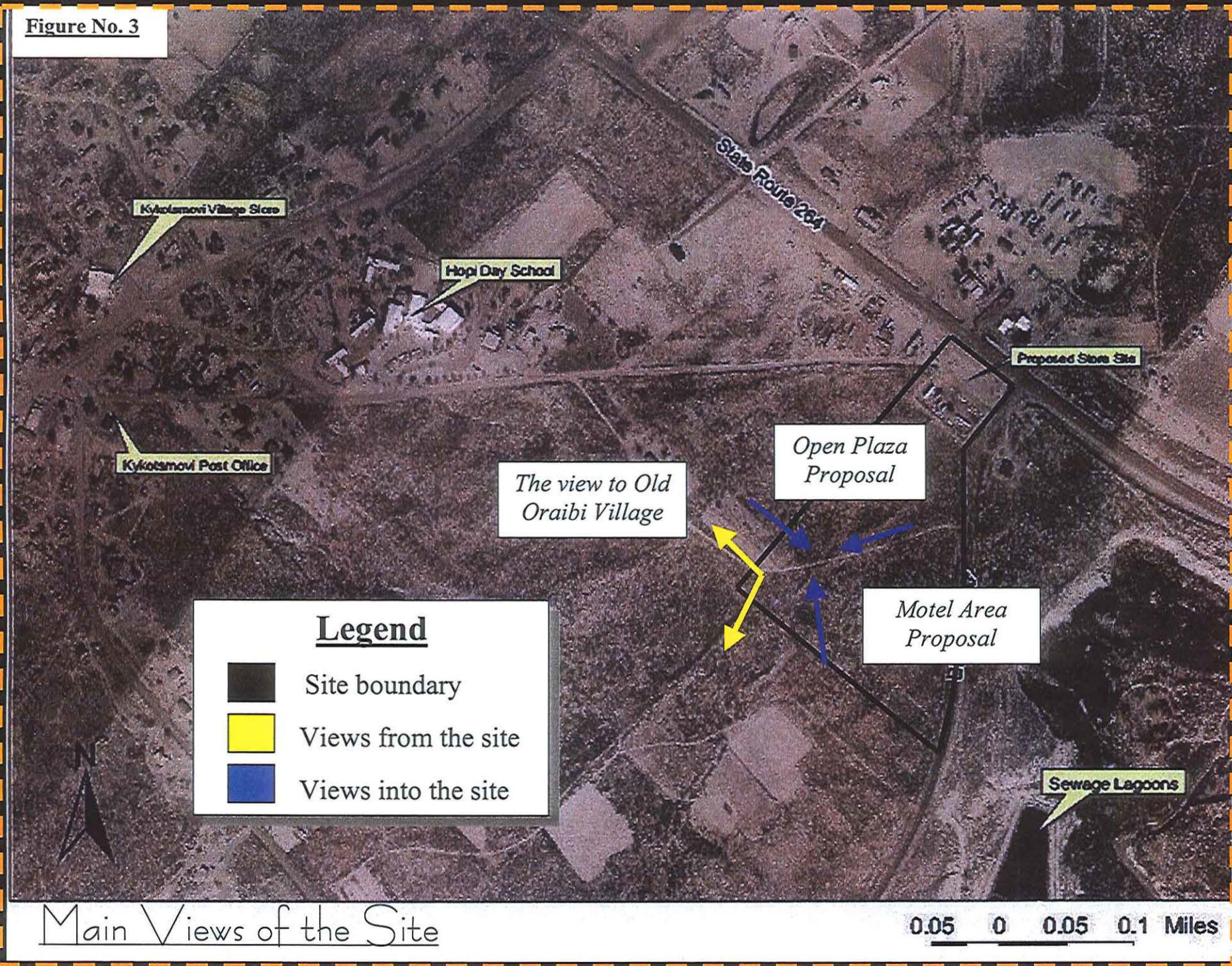
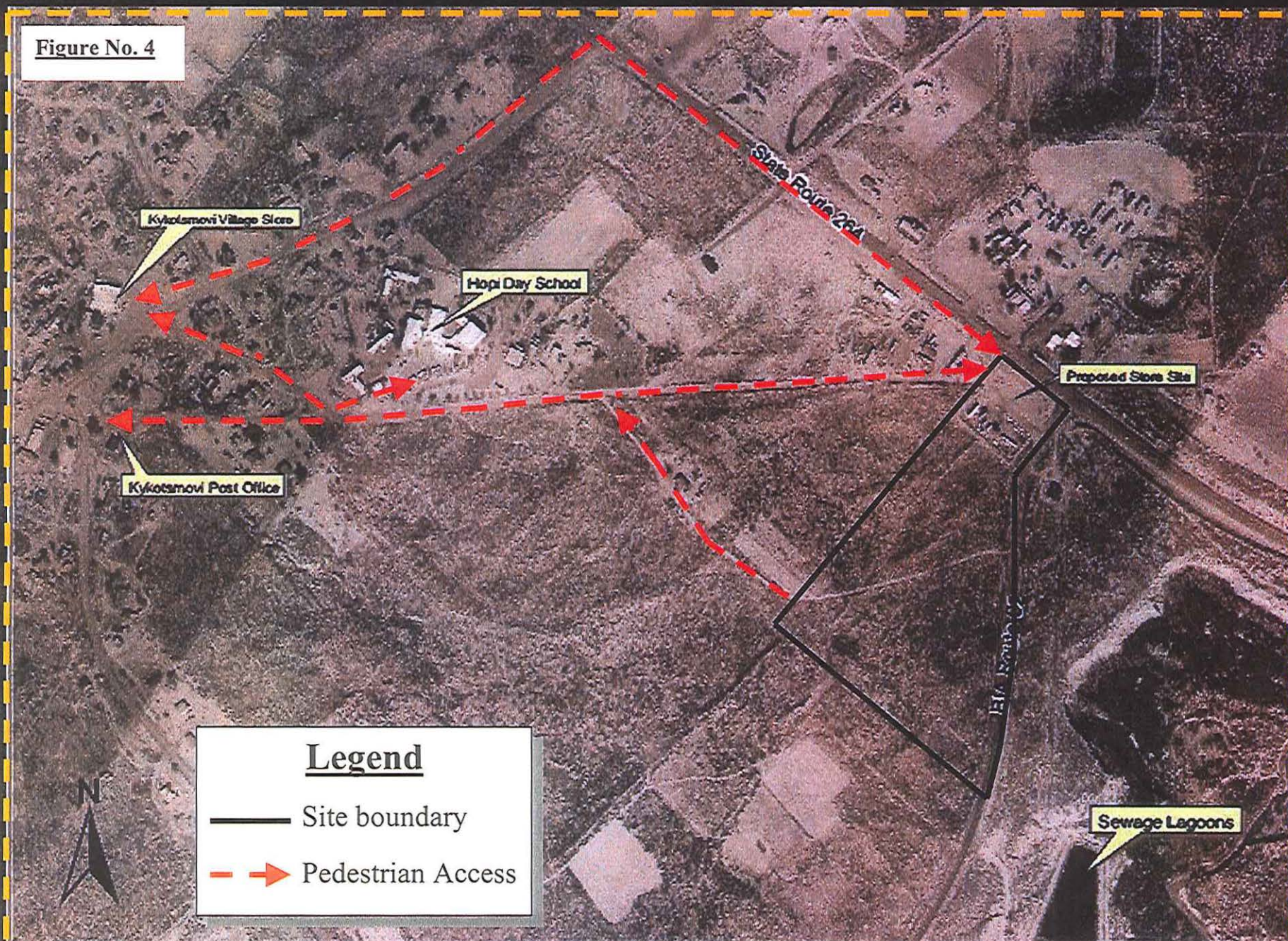


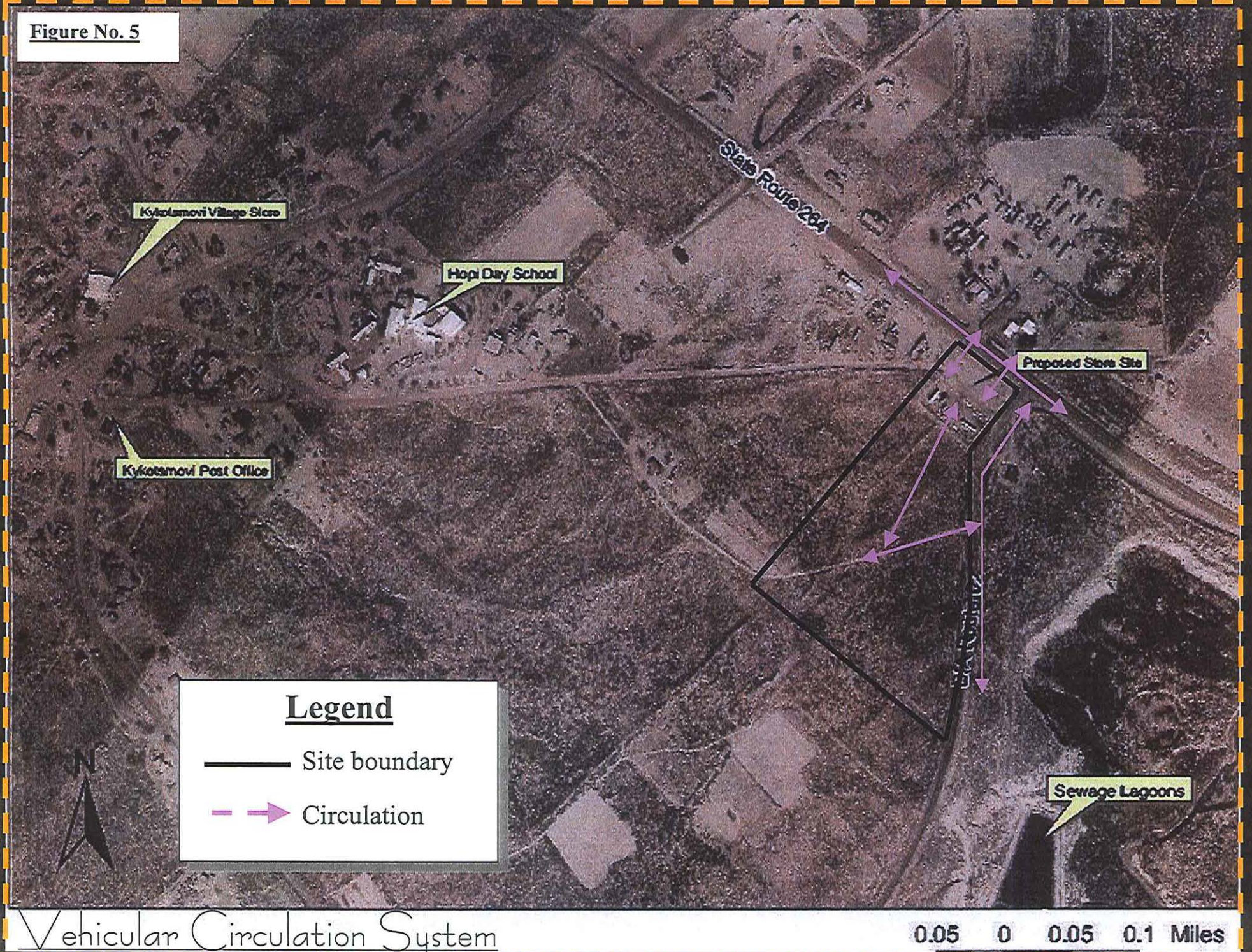
Figure No. 4



Vehicular & Pedestrian Circulation to Site

0.05 0 0.05 0.1 Miles

Figure No. 5



Kykotsmovi Shopping Plaza

Phasing Proposal

There are a number of ways to utilize the 13-acre land parcel available to the Kykotsmovi Village Board (KEB). A general phasing proposal is suggested below to develop the parcel with a shopping plaza. This strategy is flexible and can be modified as the needs of Village residents and the objectives of the Kykotsmovi Village Board change over time.

Several assumptions have been made about this project:

- The existing Kykotsmovi Village Store is a significant part of the Village and its cultural and business life.
- The Village Store building needs to be remodeled/renovated so that it can provide services other than groceries.
- There should be a distinct separation between the activities of Kykotsmovi Village community residents and the public activities that will take place on the new 13-acre site shopping plaza.
- The new shopping plaza will serve Village residents but will also attract many from outside the Village, including tourists whose needs should also be met where possible.
- For the existing Village store activities, the coffee shop and food service, meeting rooms, laundromat, study/computer area, child care, ATM machine, after-hours mail pickup, and public restrooms, are among the most important to provide at this location.



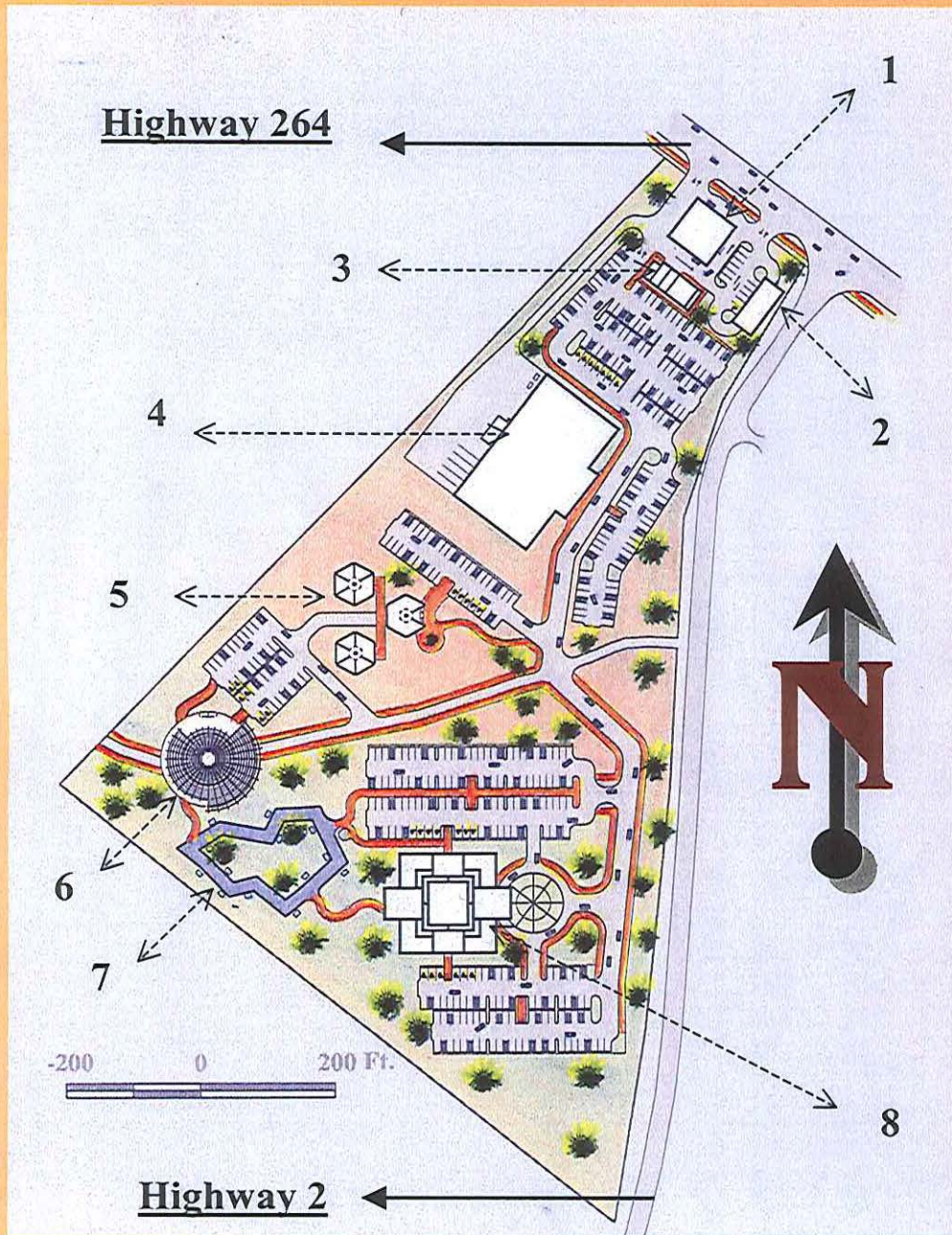
Grocery Store and Gas & Auto Services

Phase One:

In the first phase, development rights to the 13-acre parcel are assumed by the KEB. Two main land uses are proposed for development—a grocery store and gas & auto services. The propane tanks and other equipment presently located on site will be removed. All infrastructure needs (gas, electric, water, and waste treatment) must be supplied to the site early in the process while building plans are prepared. The uses to be developed first will be located at the northwestern area of the parcel for convenient access to both highways as shown in the schematic site plan concept (Drawing No. 1).



Drawing No. 1



Legend

- 1- Gas Station
- 2- Car Wash
- 3- Auto Store
- 4- Grocery Store
- 5- Work & Artisan Space
- 6- Open Plaza
- 7- Trail
- 8- Motel

- * Gas station, car wash, and auto store = 10 required pkgs.
12 designed pkgs.
- * Grocery Store = 165 required pkgs.
145 designed pkgs.
- * Work & Artisan Space = 51 required pkgs.
41 designed pkgs.
- * Open Plaza & Trail = 200 required pkgs.
153 designed pkgs.
- * Motel = 30 required pkgs.
80 designed pkgs.

General Site View-Proposal

During this phase, access drives, parking, and loading areas need to be installed, along with signage and outdoor lighting. Consideration should be given to installing sidewalks along the roads where residents are likely to come by foot. Access to Highway 264 is limited to approximately 300 feet of frontage; however, this is enough distance for two, two-way entrance drives.

Grocery Store

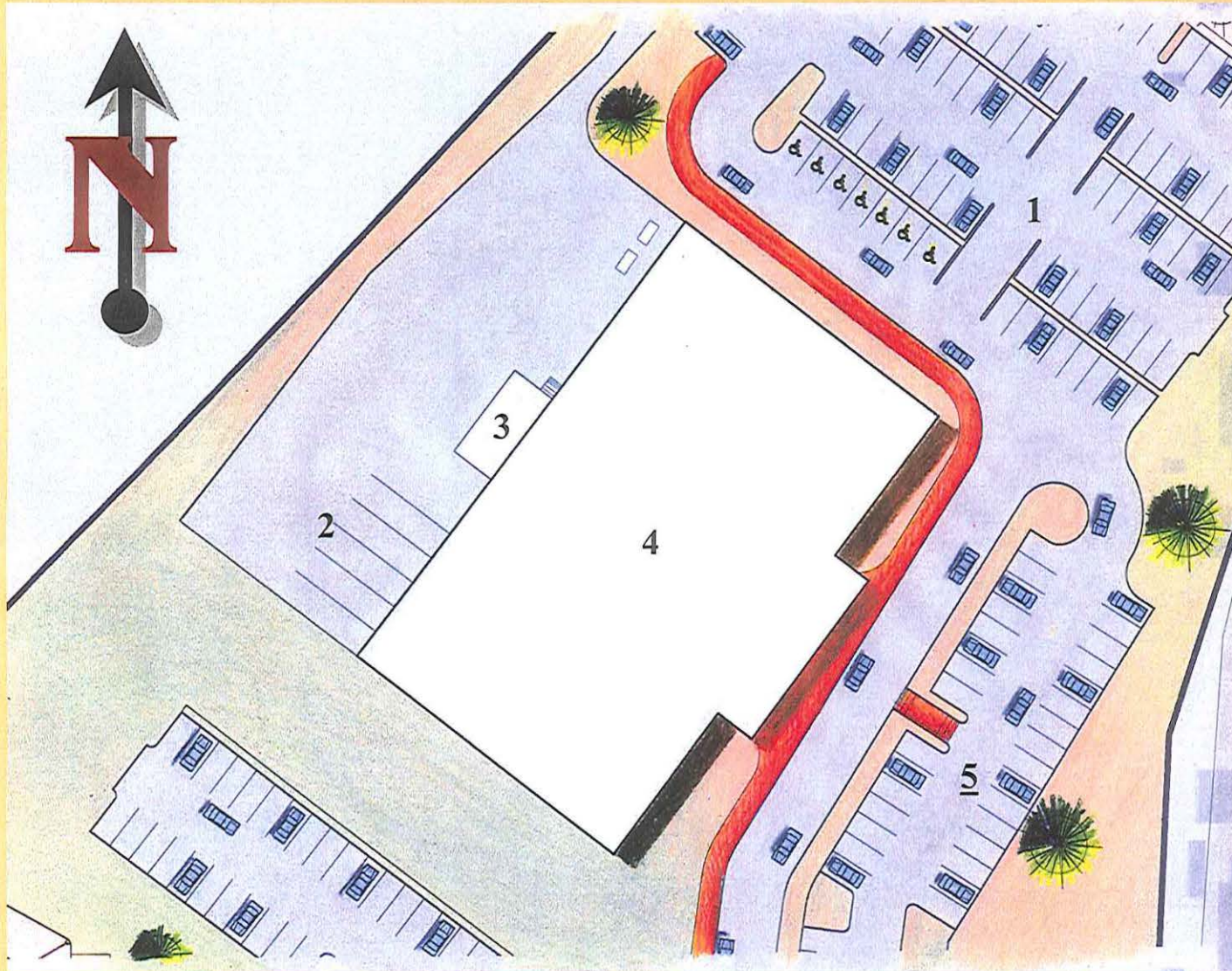
The KEB is considering building a new 33,000 square foot grocery store on the 13-acre site. The store would be built to provide a full range of grocery store products and include a deli and bakery. Bashas' Corporation has been contacted regarding their possible interest in operating this store. Within the building an area would be set aside for banking services as well. Contact has been made with Norwest Bank in Flagstaff to see if they might be interested in providing banking services.

Assuming construction costs between \$100 to \$125 per square foot, a 33,000 square foot building would cost between \$3.3 to \$4.125 million dollars. It is assumed that the building would be built to industry specifications and standards for cooling, refrigeration, and storage. If leased to a supermarket chain, at a rental return based on \$5.00/square foot, a 33,000 square foot facility would return \$165,000 per year. A fairly typical lease would run 25 years and the rental fee could be increased over time.

If the KEB decides to build the 33,000 square foot facility, they can choose to not fully stock it for the first three years or so until the customer base becomes established and the operation starts to show an adequate profit. In this case, an area within the grocery store can be set aside for display and sale of artist and artisan supplies, post cards, maps, craft goods, mail and packaging services, and other related services and commodities that will serve Village residents and meet some tourist needs as well. The schematic designs for the grocery store (Drawing No. 2) show two parts for the building; during the first phase, one of these can be occupied by the grocery operation, the other by various retail activities.



Drawing No. 2



Legend

- 1- Parking Area
- 2- Truck Parking Area
- 3- Load/Unload Area
- 4- Grocery Store
- 5- Parking Area

Grocery Store = 33,000 sq. ft.

Grocery Store Main View

At such time as the grocery store is fully operational, it may require anywhere from 50 to 90 employees plus a store manager and assistant manager. This figure is based on a Tucson grocery chain that has 60 employees for 44,000 gross square feet (approximately 750 square feet per employee) and information from Bashas' that 75 to 90 employees would be required for a 33,000 square foot store (366 to 440 square feet per employee).

A major decision for the Kykotsmobi Village Board is whether to build and operate this facility themselves or whether it should be built and leased to a grocery store chain. The advantages of having an established chain store operate the facility include: (1) a chain's experience with this size store; (2) lower product cost due to volume; (3) full range of goods with name brands; (4) dependable shipping time and frequency for goods ordered; (4) employment package and training programs for employees; and (5) guaranteed annual rental income from the lease.

The disadvantages of having a chain store run the facility include: (1) limited operational control by KEB; (2) less profit returned to the Village; and (3) being locked into a long-term lease. However, it should be possible to negotiate more involvement by the KEB in operational matters (products ordered, hours of operation, employment of local residents, promotion of Village activities, cost per square foot of lease, etc.).

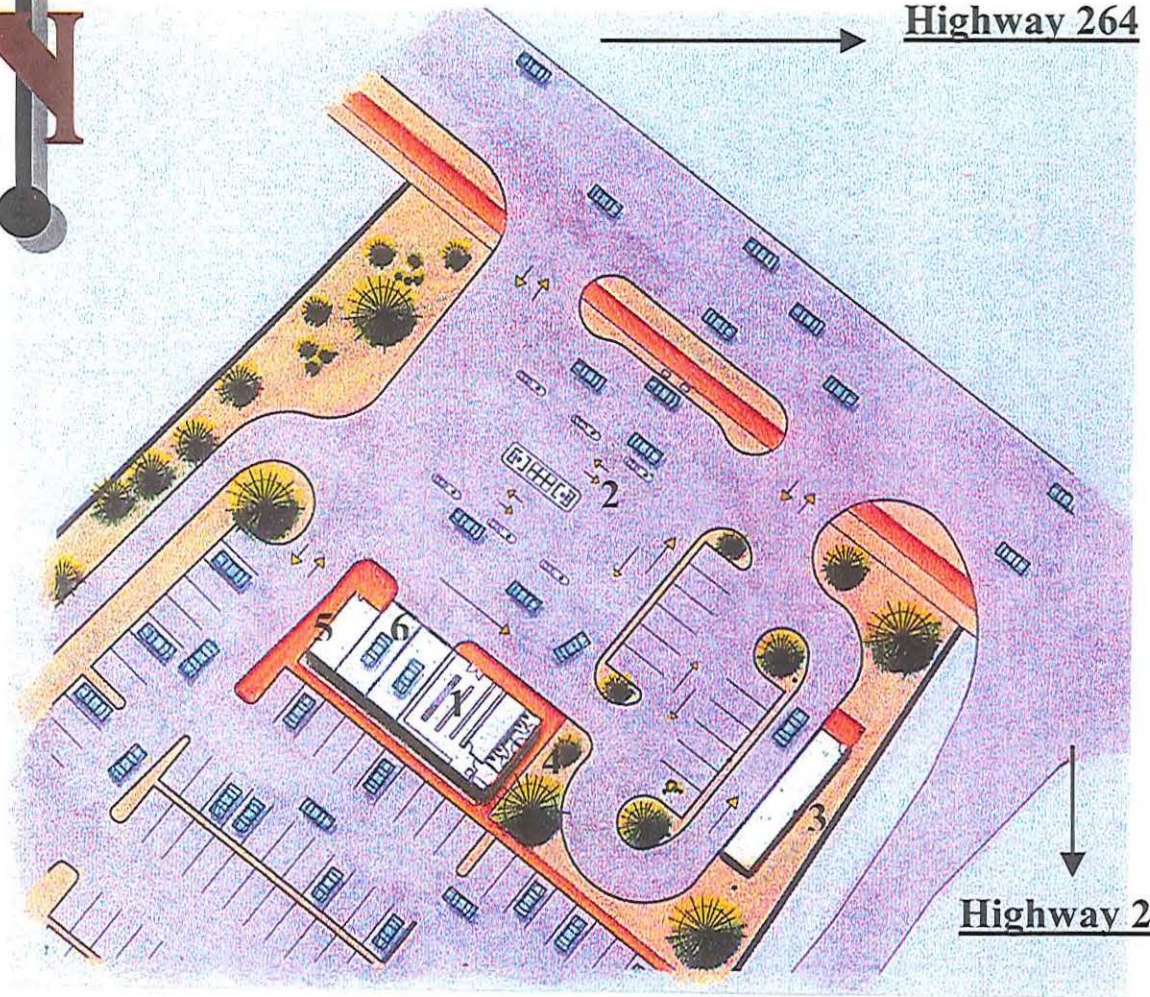
Gas & Auto Services

The auto services proposed during the initial phase include a multi-lane, multi-pump gas facility located with direct access to State Route 264 and BIA Highway 2 (Drawing No. 3). This configuration will allow a number of cars and trucks to be fueled at one time. In addition, one or two diesel fuel pumps will be needed as well as propane.

A two-bay mechanic shop providing basic services, including oil change, tire repair and tune-up is proposed at this northern location within the same area as the gas pumps. The shop will be approximately 800 square feet with a small office/waiting area. While initially there might not be enough volume to keep two bays operational, it is proposed that the building be built as a two-bay facility. Another option is to install a car wash in this vicinity at a later time.



Drawing No. 3



Legend

- 1- Auto Store
- 2- Gas Station
- 3- Car Wash
- 4- Public Restrooms
- 5- Deposit Area
- 6- 2 Bays

Auto Store = 3228 sq. ft.

Gas & Auto Services

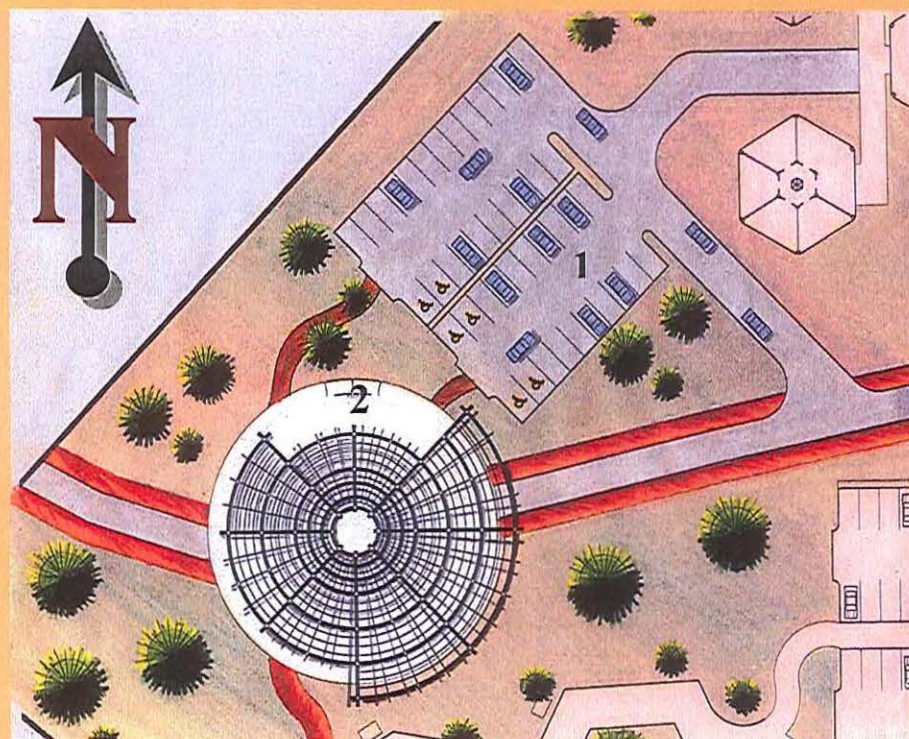
Plaza Area & Artisan Workspace

Phase Two:

Once the grocery store and retail center operations return a profit, it is proposed that a central plaza be built, around which the rest of the site can develop. A landscaped plaza, shown in Drawing No. 4, can become a visual and cultural amenity for residents and visitors to enjoy; it can serve in good weather for display and sale of art work, crafts, as well as farmers' market for summer produce. The plaza should provide numerous seating areas and shaded walkways to maximize its use and enjoyment by as many groups as possible. As the schematic Drawing No. 4 indicates, the form of the plaza is an amphitheater, with the lowest level slightly below grade. This concept provides an excellent space for outdoor performances with ample viewing area for spectators.



Drawing No. 4



Approx. Plaza & Trail = 14,618 sq. ft.

Legend

- 1- Parking Area
- 2- Open Plaza
- 3- Trail
- 4- Parking Area

Plaza Aerial View

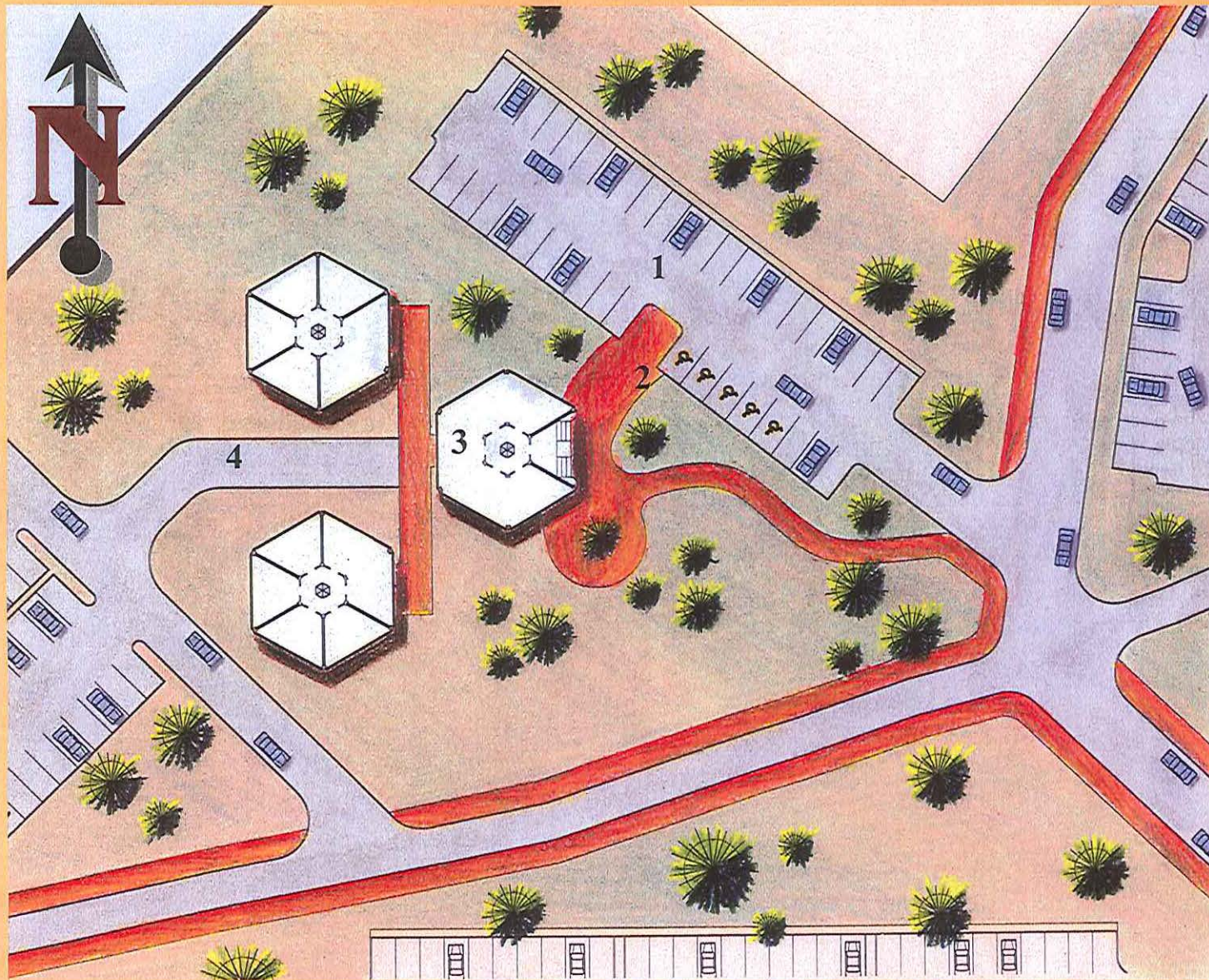
(much of the cost depends on the infrastructure systems needed plus annual inflation), construction costs for 15,000 sq. ft. would range from \$1.125 million to \$1.35 million. Drawing No. 5 shows a concept for this new building and how these module units might be designed.

During this phase, the grocery store may be ready to utilize the entire 33,000 sq. ft. of building area. In that case, additional building area will be required to provide retail space, workspace for artists, and display areas for arts and crafts produced by village residents. This space will become part of the tourist draw as local residents showcase and sell their work.

Building expansion can be based on building modules of varying size 150, 250, and even 500 sq. ft. units depending on demand to provide individual workshops, offices, or retail storefronts. The initial construction might consist of 15,000 sq. ft. total according to the market for such space and the rental structure. With costs estimated at from \$75 to \$90 per sq. ft.



Drawing No. 5



Legend

- 1- Parking Area
- 2- Entry Garden/
Outdoor Sitting
Area
- 3- Work & Artisan
Space
- 4- Load/Unload
Area

Work & Artisan Space 3 floors/bldg. = 8554.2 sq. ft./bldg.

Work & Artisan Space

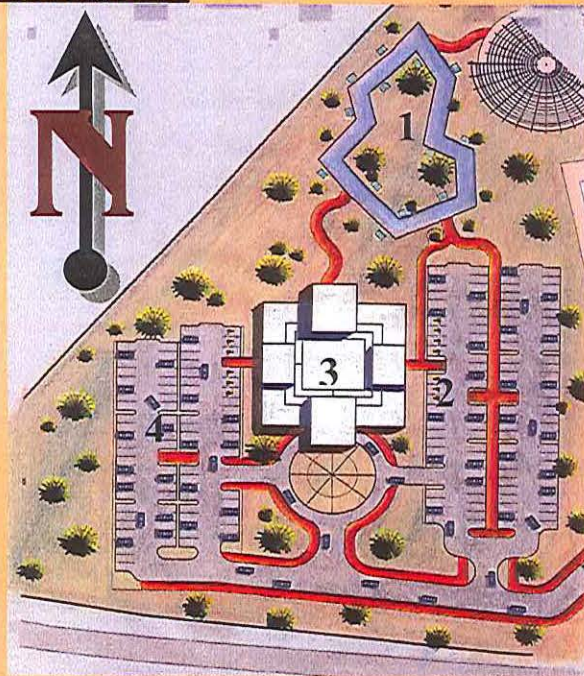
Guest Lodging & Other Tourism Amenities

Phase Three:

There is a need for more lodging near the Hopi Reservation. Tourists, youth sports teams, and business travelers frequently stay in Flagstaff, Holbrook, or Winslow because so little guest lodging is available on or near the Reservation. It is proposed that a small motel, from 25 to 50 rooms (the number to be determined by market analysis), be constructed on the site's southern area. The accompanying sketch (Drawing No. 6) presents a concept for how such a lodging facility might look. This facility occupies several levels and looks out over the plaza space.



Drawing No. 6



Legend

- 1- Trail
- 2- Parking Area
- 3- Motel
- 4- Parking Area

Motel Aerial View

This operation should help draw in visitors and encourage them to spend more time and money at the site and in the area. The estimated cost for a 3,000 square foot restaurant is approximately \$500,000 (based on \$150/square foot; this cost reflects institutional kitchen equipment and refrigeration needs). In addition to the basic rooms and restaurant, other amenities such as a gift shop or additional gallery space for local art, jewelry, and crafts might be added to this area. Drawing No. 7 suggests some ideas for how the motel might look.

An estimated cost for a 30-room motel is \$1,050,000 (using a 350 square foot room costing \$100 square foot multiplied by 30 rooms).

Along with the lodging facility, a sit-down family-style restaurant is suggested as well. While the deli in the grocery store will provide food for many local shoppers and tourists, there is a need for more dining opportunities, especially if tourism is promoted at this location.

Drawing No. 7

Motel View



Funding Sources

Norwest Bank:

Another major factor in developing commercial services in Kykotsmovi is the funding source. Norwest Bank has expressed a willingness to work with the KEB and the Hopi Tribe concerning loan packages.

Bureau of Indian Affairs (BIA):

The BIA indicates that the Hopi have several options available to them for grant money from the federal Government. Specifically, the BIA referred to the Department of Housing and Urban Development (HUD) as well as the Economic Development Administration (EDA). The HUD Washington, D.C. office indicates that it is interested in working with Native American Tribes; HUD officials suggest that the KEB call for a private consultation by either contacting the regional HUD office or the Washington, D. C. office.

The Economic Development Association (EDA):

The EDA, located within the Department of Commerce, welcomes contact with the Hopi Tribe to discuss funding opportunities available. For the proposal under consideration, EDA considers that the best option for the Hopi would be to pursue a Partnership Planning Grant. These grants are intended to assist Indian Tribes with economic development for planning and construction. In 1999, the average Partnership Planning Grant awarded to an Indian Tribe was \$42,000.

The EDA has provided supplemental material concerning funding possibilities, including the Partnership Planning Grant, as well as some background material on how the EDA provides these grants (Appendix A). Additionally, the EDA has sent material regarding the development of Comprehensive Economic Development Strategy for the Hopi Tribe (Appendix B). The EDA states they look forward to any contact with the Hopi Tribe in the future.



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Others

Letter from A. N. John Basha, Senior Vice President, Basha's Real Estate and Development Department dated June 20, 2001 (See Appendix A).

City of Tucson Land Use Code.



Appendices

➤ Appendix A

Letter from A. N. John Basha, Jr., Senior Vice President, Real Estate, Bashas'.

➤ Appendix B

Comprehensive Economic Development Strategy Guidelines

➤ Appendix C

EDA: Economic Development Administration





June 20, 2001

Grace Evans
Planning Consultant
University of Arizona/Hopi tribe

Dear Ms. Evans:

Please accept my apology for the delay in response to your correspondence of May 14, 2001. I will address each of your questions as best I can. Please keep in mind that my responses are generalities at this point and are based on my experience. My responses here are not binding. I have listed your question and my response item by item.

1. *Would Bashas' build the store or have the Tribe build it to specifications?*

Bashas' experience with new leases and new stores in general is that the Lessor or Landlord, in a situation such as this, the Hopi Tribe, would build the store or bid construction out to agreed upon specifications.

2. *If the Tribe builds the store, what is an average per square foot cost for a grocery store?*

This, of course, would vary from location to location. It is dependent upon several factors including but not limited to architectural amenities, the cost of building materials, transportation costs, decor packages, and timelines. In the valley, we have had Bashas' stores built that have cost from \$47.00 per square foot to \$52.00 per square foot. Building on reservation land is a lot more expensive. Depending on what Federal guidelines the Tribe must follow and the remoteness of the location, we have seen reservation stores cost in excess of \$100.00 per square foot.

3. *What is the average length of time for construction of a 33,000 square foot store?*

First of all, I would say that if Bashas' were involved in a store in Kykotsmovi, the size store has not been determined. The length of time to construct a store varies from location to location and the owner's ability to finance. Very generally speaking, a store takes from seven to nine months to actually construct.

4. *What period of time does Bashas' require for length of a lease?*

The length of a lease is generally negotiated. Bashas' most common preference is a twenty-five year term with a minimum of twenty years of options.

5. *In a usual lease agreement, are repairs and maintenance the sole responsibility of the building owner?*

Generally, a Lessor is responsible for the repair and maintenance of off-premises facilities serving the Premises. They are also responsible for the exterior walls, roof, the foundation and structural aspects of a premises. Lessees or Tenants, are generally responsible for interior walls, floors, store product refrigeration systems, interior plumbing, electrical items, and HVAC.

6. *What is an average square foot cost for leasing such a building?*

The Lessor and Bashas' would negotiate the rental rate for a lease. Reservation leases are unique in that Bashas' agrees to percentage rental rates and profit sharing with the respective Tribes that we do not agree to on non-reservation stores. There are also costs of doing business associated with remote locations that are not typically seen in metro areas. All of these items need to be considered. As a result, comparing rental rates in metro areas vs. rental rates in reservation stores is not a fair criterion. We are discussing a location in Dilkon on the Navajo Nation with a rental rate in the \$5.00 per square foot range. Rental rates are in the \$9.00 range in north Scottsdale. I am afraid I cannot give a cut and dried answer to this question.

7. *What is the average number of employees for a 33,000-square foot store?*

This is, once again, a general response and may vary depending on specific circumstances. The number of Bashas' members that run a store of about 33,000 square feet is from 75 to 90.

8. *Does Bashas' have a training program for new employees, and if so, how long?*

I rely on general information from our Human Resources members to respond to this question. At this time, Bashas' stores that are a significant distance from Phoenix, Tucson, or the Colorado River areas of Arizona may have trainers come to their location or have to travel to Phoenix for training. Courtesy clerks generally have five hours of video based training. Bakery/Deli clerks generally have at least two days of classroom instruction and about two days of on-the-job training. Cashiers have about four or five days of classroom instruction and about two days of on-the-job-training. This, of course, does not include the details of our training programs but gives you a very general idea.

9. *How long might it take for an agreement to be worked out between Bashas' and Hopi Tribal members and what is the process?*

Lease negotiations can go quickly, for example having a signed agreement within six months, or they can go very slowly, and it is possible that negotiations do not come to fruition. There are occasions when an agreement is not made at all. The Lessor's motivation generally sets the pace for the speed of negotiation. In most cases, a potential Lessor and Bashas' will meet to discuss in principle what is to be accomplished. After the Lessor and Bashas' have decided the larger issues, our respective attorneys are involved and we have a draft agreement generated. We edit the agreement from there until it is acceptable to all parties involved.

I hope that this is enough information to start you on the process of compiling information for your project. I would like you to know that Bashas' has been serving Native Americans of the Navajo Nation since 1981 when we opened our Chinle store. Since then, we have opened Navajo markets in Tuba City, Kayenta, Window Rock, Pifon, and Crownpoint, New Mexico. We also have a store in San Carlos, on the San Carlos Apache Reservation, as well as a store in Whiteriver on the White Mountain Apache Reservation. Our Sells location is within the Tohono O'odham Nation's borders. We would be privileged to become part of the Hopi Nation as well.

Sincerely,

A.N. John Basha, Jr. / EPP

A.N. John Basha, Jr.
Sr. Vice President Real Estate



U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

***COMPREHENSIVE
ECONOMIC
DEVELOPMENT
STRATEGY
GUIDELINES***

January 2000

Comprehensive Economic Development Strategy (CEDS) Guidelines

OMB Approval No. 0510-0053

Expires 11/30/2002

Burden Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

The information is required to obtain or retain benefits from the Economic Development Administration pursuant to Economic Development Administration Reform Act, Public Law 105-383. The reason for collecting this information is to enable the prospective applicants to apply for financial assistance and for the Economic Development Administration to determine their eligibility and compliance with Federal and other requirements. No confidentiality for the information submitted is promised or provided except that which is exempt under 5 U.S.C. 552(b)(4) as non-confidential business information.

The public reporting burden for this collection varies from 240 hours for an initial CEDS, 50 hours for an annual CEDS, 75 hours for the CEDS update, to 25 hours for a CEDS developed without EDA financial assistance or as part of designated requirements per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Economic Development.

*Comprehensive
Economic
Development
Strategy*

GUIDELINES

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1. INTRODUCTION

A Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of an area. For the purpose of these Guidelines, the terms "area", "region" and "community" are often used interchangeably to refer to an appropriate political, economic, geographic, or environmental entity for addressing economic development. A CEDS process will help create jobs, foster more stable and diversified economies, and improve living conditions. It provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industry concerned with economic development.

A CEDS is required to qualify for Economic Development Administration (EDA) assistance under its public works, economic adjustment, and most planning programs, and is a prerequisite for designation by EDA as an economic development district (EDD).

The CEDS must be the result of a continuing economic development planning process, developed with broad based and diverse community participation, and contain the following:

- An analysis of economic and community development problems and opportunities including incorporation of any relevant material or suggestions from other government sponsored or supported plans;
- Background and history of the economic development situation of the area covered, with a discussion of the economy, including as appropriate, geography, population, labor force, resources, and the environment;
- A discussion of community participation in the planning efforts;
- A section setting forth goals and objectives for taking advantage of the opportunities of and solving the economic development problems of the area serviced;
- A plan of action, including suggested projects to implement objectives and goals set forth in the strategy; and
- Performance measures that will be used to evaluate whether and to what extent goals and objectives have been or are being met.

Public Law 105-393, the Economic Development Administration Reform Act of 1998, a comprehensive amendment of the Public Works and Economic Development Act of 1965, as Amended (PWEDA), requires a strategy to qualify for assistance under most EDA programs.

Since the original PWEDA was enacted in 1965, economic development planning has been a key element in achieving EDA's long-term goals. The Overall Economic Development Program (OEDP) process created a truly effective Federal/local partnership. The planning assistance program supporting the OEDP process helped develop the capacity of local organization to work in partnership with state and local public and private leaders, business, and governments to define their economic challenges and develop effective strategies to revitalize their communities. The original PWEDA required applicants to demonstrate compatibility of a project with a locally developed EDA-approved OEDP to qualify for financial assistance. EDA will continue to direct its investments based on strategies resulting from locally controlled participatory planning processes established to develop and maintain the CEDS.

This guide is intended to assist in efforts to develop, implement, and document a CEDS process. It describes the steps to follow, participants, required documents, evaluation and, for districts and other EDA supported planning organizations, the updating procedures, and reporting requirements.

2. WHAT IS A CEDS?

A CEDS emerges from a continuous planning process developed with broad based and diverse community participation that addresses the economic problems and potential of an area. The strategy should promote sustainable economic development and opportunity, foster effective transportation systems, enhance and protect the environment, and balance resources through sound management of development.

EDA may accept as a CEDS any locally, state, or regionally prepared plan, a plan prepared under any Federally supported program, or a previously approved OEDP, provided that it is current and its preparation and contents are consistent with these Guidelines. Future references to a CEDS in this document should also be considered to include a previously approved OEDP.

The CEDS analyzes local conditions, identifies problems and opportunities, defines the vision and goals of the community, designs the strategies to accomplish these goals, coordinates activities to implement these strategies, and evaluates and updates the process. The time it takes to develop an effective process depends on an area's experience with economic development, the complexity of its problems, and the degree of coordination and cooperation among the participants. A successful CEDS process should lead to the formulation and implementation of a program that creates jobs, raises income levels, diversifies the economy, and improves the quality of life, while protecting the environment. The process must adopt a logical approach to long-range development while identifying and implementing short-term problem solutions to achieve early results and maintain momentum and public support.

The CEDS document should be readily accessible to the economic development stakeholders in the community. There should be a continuing program of communication and outreach that encourages broad-based public engagement, participation, and commitment of partners. The general public, government decision makers, and business investors should be able to use it as a guide to understanding the regional economy and to taking action to improve it. The strategy should take into account and, where appropriate, incorporate other planning efforts in the community. Its quality should be judged by its usefulness as a tool for local decision making.

Each CEDS is unique, reflecting the specific challenges and opportunities of its area. It should contain four main elements: *analysis, vision, action plan, and evaluation*. The analysis should assess the state of the regional economy, the opportunities and

threats posed by external trends and forces, and the availability of partners and resources for economic development. The community's vision and goals, together with an appraisal of the region's competitive advantage, should set the strategic direction for the action plan. The action plan should establish program priorities for implementation. Finally, the CEDS should establish criteria and performance measures for evaluation of the process and for the periodic update of the document.

3. WHO SHOULD PREPARE A CEDS?

Any area seeking to formulate and implement an economic development program will benefit from a CEDS. Successful economic development efforts are based on comprehensive economic development strategies.

A CEDS is required by the Act, as a precondition for EDA assistance for:

- (1) **Public works and economic adjustment grants.** To be eligible for assistance under the public works or economic adjustment programs, the applicant must accompany the application with a CEDS acceptable to EDA. A current CEDS previously approved by EDA, may be included by reference instead of submitting a copy of the document. The proposed project must be consistent with the CEDS.
- (2) **EDD designation.** As a prerequisite for designation, a proposed EDD must prepare a CEDS that is approved by EDA, as well as meet all other requirements for designation.
- (3) **Planning organizations.** To receive EDA ongoing planning grants, EDDs, Indian tribes, and other eligible organizations must develop and maintain a CEDS process. The initial CEDS document, subsequent annual reports and revised CEDS, must be submitted for review and approval by the appropriate EDA regional office.

A CEDS is not a prerequisite when the request is for planning assistance to develop, update or refine a strategy under the economic adjustment program (Section 203 or 209 of the Act). However, the resulting economic adjustment strategy must conform with the CEDS requirements, although it may focus on the factors that caused the immediate economic distress and how recovery can be accomplished.

4. HOW TO PREPARE A CEDS

The preparation and level of detail of a CEDS will depend on local circumstances, the economic development organization's staff capacity, and level of resources of the area.

The following sections describe the basic elements that should be included in the formulation of a CEDS. They provide guidance to an area for organizing and staffing for economic development, analyzing its economic problems, developing a vision and key goals to be pursued, formulating program strategies that document the process, and evaluating its accomplishments. Updating the strategy and process is covered in the next section.

A. Organizing and Staffing for Economic Development.

The key to a good strategy is an ongoing, participatory planning process.

(1) The Comprehensive Economic Development Strategy Committee

An area should establish and maintain a Committee to oversee the CEDS process. The Comprehensive Economic Development Strategy Committee (Strategy Committee), the entity identified by the planning organization as responsible for developing, updating, or replacing a strategy, is the principal facilitator of the economic development planning and implementation process. The Committee should represent all major interests of the community to ensure that viewpoints of all components of the community are considered and to take advantage of local skills and resources in program formulation and implementation. It should include representatives of local governments, business, industry, finance, agriculture, the professions, organized labor, utilities, education, community organizations, public health agencies, the aged, disabled, the unemployed, underemployed, racial or ethnic minorities, and women. In selecting Committee members, the following elements should be considered:

- * **Public Leadership.** Public leadership support is essential for the coordination necessary to develop and implement the action plan. The Committee should include appropriate representation from participating local governments.
- * **Economic and Business Development Organizations.** Several organizations might be involved directly or indirectly in efforts to promote the economy. Chambers of Commerce, labor organizations, real estate companies, financial institutions, utility companies, and quasi-governmental

development organizations are examples. In addition, regional, county, and local planning commissions typically are involved in activities that affect economic development. The role such organizations might play in developing and implementing a CEDS should be examined. When appropriate, they should be represented on the Committee. Particular attention should be given to business and industry representation.

- **Employment and Training Sector.** Linkage between economic development and labor force skills, community colleges, vocational-technical schools and school-to-work programs, are often crucial. Local employment and job training organizations, such as labor unions and private industry councils, should be represented.
- **Community Organizations.** The needs and concerns of housing and neighborhood associations, special interest groups, environmental protection groups, historic preservation groups, agricultural or farming associations, and citizen Committees affect economic development. These groups should be represented in the Strategy Committee.
- **Women, Minorities, Aged, and Disabled.** Traditionally, the unemployed and underemployed, women, minorities, the aged and the disabled have not been equitably represented in local decision making. Representation on the Committee assures that their needs and solutions to their problems are given appropriate consideration.
- **Other.** Health, education, social services, and other professions or special interests groups that might have an impact on the development of the region should also be involved.

(2) Working Relationships

Once the Strategy Committee is formed, the next step is to define its role and relationships with existing local, regional, and state institutions. A clear understanding of these different roles and relationships at the outset will avoid conflicts and establish positive working relationships for implementing the development process.

(3) Staff Support

The Strategy Committee will frequently consist of people with other responsibilities who do not have enough time to conduct the day-to-day functions required to assure the success of the process. These functions include collecting and analyzing information on the area's economy, identifying strategy options, and preparing detailed implementation plans. The Committee, commensurate with the

resources of the economic development organization, should ensure that adequate staff resources are available to perform these functions.

(4) Committee Work Program

The work program provides the agenda for the Strategy Committee. The Committee should adopt a work program that describes each task to be performed, identifies the individual, organization, or work group responsible for completing each task, and establishes timetables.

For the process to succeed, the Committee should take advantage of technical and financial assistance available from public and private sources. These sources include Federal, state, and local governments, foundations, educational institutions, local organizations, and major corporations. EDA support under the planning, technical assistance, or economic adjustment programs may be used to help organize or carry out a CEDS, and for updating or refining a strategy.

B. Analysis: Where are we?

An analysis of the region should answer the question Where are we now? The Strategy Committee must have a clear understanding of the local economic situation. The planning process should begin with relevant research and analysis by the economic development organization staff.

The overall analysis of the local economy should use current demographic and economic data. Data sources include, but are not limited to, the U.S. Department of Commerce's Census Bureau and Bureau of Economic Analysis; the U.S. Department of Labor's Bureau of Labor Statistics; state, tribal, and local governments; and universities. Useful web links can be found at the EDA WEB Site, the address of which is www.doc.gov/eda/. EDA-funded University Centers may serve as valuable resources in providing and analyzing the necessary data. The analysis should also draw from any relevant and recent studies on hand and the knowledge of Committee members and staff. Economic analysis may be undertaken at varying levels of depth. The Committee must determine the level that is best for its resources. The analysis should be presented in the CEDS document in a clear and concise manner, and be easily understood by non-specialists in the general public.

(1) Background Information

The first step in analyzing the area is identification of the elements that affect the local economy. Information should be gathered in the following areas as appropriate:

- Demographic and socioeconomic data, including labor force characteristics.

- Geographic, climatic, environmental, and natural resource profile.
- Infrastructure of the area including water, sewer, communications, and electrical distribution systems, and all transportation modes.
- Major sectors of the economy and their past, present, and projected contributions to employment, income, and revenue.
- Relationship of an area's economy to that of the larger region or state, with particular regard to locational advantages or disadvantages.
- Factors that directly affect economic performance in the area such as state and local laws; financial resources; transportation systems, energy costs, business, personal, and property taxes; bonding capacity; and land use patterns.
- Other factors that indirectly affect economic performance in an area such as housing; health services; schools; educational, cultural, and recreational facilities; public safety; and environmental issues relating to flood plains, air quality, wetlands, historic preservation, hazardous waste contamination, smart growth initiatives, and brownfield reuse.

Existing plans and planning processes in the region should be researched and considered. These might pertain to transportation, land use, housing, downtown revitalization, air and water quality, environmental protection, and welfare reform.

(2) Issues Covered

The analysis should address the following as appropriate:

- **The state of the regional economy.** What are the strengths and weaknesses? What are the growth sectors and clusters? What is driving the economy and where is it heading?
- **External trends and forces.** What are the opportunities and threats? How is the region positioned in the national and global economies?
- **Partners for economic development.** Who are the important actors in the region? These may include organizations, businesses, or individuals that represent important issues, including those unfamiliar to the economic development organization such as workforce development, social service delivery, and natural resources.

- **Resources for economic development.** What groups, organizations or individuals does the area have to work with? Who can provide support and funding for the development activities?

From the analysis, local leaders should be able to determine if the identified problems can be addressed by local institutions. Emphasis should be given to the problems that local public and private sectors can resolve either directly or indirectly. Particular attention should be given to groups and areas suffering most from unemployment and other economic distress.

C. Vision: Where do we want to be?

The vision statement should answer these questions: Where do we want to be? In the next ten to twenty years? What are the goals? What are the areas in which the region can build competitive advantage? How can the region's strengths and opportunities be maximized, and its weaknesses and threats mitigated?

The most common method to develop a vision statement is by a series of sessions or workshops. These workshops should begin with an analysis of the region and encourage participation by partners and the general public.

The staff of the economic development organization should coordinate the visioning process with broad participation of the community. A draft vision statement that includes goals should be circulated widely for review and comment. The Strategy Committee should review and approve the vision statement and goals.

(1) Vision Statement, Goals and Objectives

The vision statement, goals and objectives should respond to the analysis of the area's development potential and problems. The goals should reflect the desires of most area residents and should also be realistic and limited in number. Some should address things that can be realized within a short period of time, while others require a longer period for implementation. The vision, goals and objectives will provide a framework for public and private decision making and serve as the basis for the formulation of the action plan.

(2) Setting Priorities

Priorities must be established to provide a basis for decisions on the use of available resources. Establishing priorities at the goal-setting stage is a critical step toward formulating the CEDS. The following factors should be considered:

- The effect that achieving each goal will have on the development potential or problem.

- Whether the goal is directed toward achieving short-, intermediate-, or long-term results.
- Actions related to the goal that are already underway or planned.
- The relationship of this goal to the accomplishments of other goals.

The result of setting priorities should be a ranking of goals. Each goal should have a rationale that is clearly understood and publicly supported. Public meetings provide an opportunity to ensure that goals are consistent with community aspirations and existing developmental plans. The CEDS goals and priorities should be formally ratified by the Committee and the governments it represents.

Not every goal needs to be subjected to a full-scale assessment. Many areas lack the capacity or resources to develop or implement strategies for every goal. Consequently, the Strategy Committee may choose to limit its focus to the highest ranked goal or goals for the first year or so.

Goals provide the basis for formulating the action plan and serve as milestones to evaluate the accomplishments of the CEDS process. Goals provide benchmarks by which the Strategy Committee, area officials, economic development stakeholders, and the community can measure performance.

D. Action Plan: How Do We Get There?

The action plan answers the question "How do we get there?" and is based primarily on long-term goals. The action plan describes activities and groups them into programs designed to achieve the desired results and to turn potential for improvement into reality. The action plan also assigns responsibility, resources, time frames, and priorities for implementation.

The area's action plan is the link between the up-front analysis of the area's economy and development potentials and the resulting programs, activities, and projects that are the product of the CEDS process. It is a multi year strategy that includes activities and programs to take advantage of opportunities for the economic development of the area. Though its primary focus is long range, the action plan should identify some elements that can be achieved in a short or intermediate time frame.

The Strategy Committee has the central role of overseeing development and implementation of the action plan. On the basis of the analysis of the area's economy, the Committee will decide how to capitalize on the area's assets. From these decisions, the Committee then can set priorities and implementation schedules.

Assumptions about economic trends should include the outlook for the area's economy, causes of the area's economic problems, and kinds of economic activities that might generate additional employment and income.

Expected changes in economic factors should take into account significant proposed actions that will impact the regional economy such as the construction of a new interstate highway, the closing of a military installation, or regulatory constraints on development.

The vision and goals of the CEDS should be evaluated to determine the time frame and resources required for their implementation. Criteria to guide the use of resources should include (1) how the unemployed and underemployed are to benefit, (2) what economic programs are to be used for development activities and investment, (3) the geographic locations of development activities and investment, and (4) how economic development programs and projects will be sponsored and managed.

The action plan has two components: the prioritization of programs and activities and an implementation schedule.

(1) Prioritization of Programs and Activities

Identification of activities should be as broad-based as possible involving those affected by the proposed activities, and those that can ensure their success. Partnerships with a variety of organizations and the private sector in the region are a key to successful implementation. The list of programs, and the activities involved may be too long to accomplish all at once. They should be prioritized, using the following questions for guidance:

- *What are the activities and what are their expected benefits?*
- *Which activities address the areas or issues of greatest need and/or best enhance the region's competitive advantages?*
- *Do these activities represent the best use of limited resources?*
- *Will the activities have positive economic, environmental, and social impacts?*

(2) Implementation Schedule

The schedule identifies the most important program activities and proposes a time frame and an implementation schedule for each, in multiple phases if needed. The level of detail of the implementation schedule will be determined by the level of sophistication of the professional staff of the organization, and the resources the

area has available to implement the actions. This section should describe programs and activities and identify the range of public, private and nonprofit support for each.

E. Evaluation: How Are We Doing?

Evaluation should be an element of an ongoing planning process and should answer the questions How are we doing? and What can we do better?

An outline of the evaluation process should be included in the CEDS. Performance measures should be identified to evaluate the progress of activities in achieving the vision and goals. Preparation of an evaluation is the responsibility of the economic development organization professional staff under the guidance of the Strategy Committee. If resources permit, the Strategy Committee may invite an outside party, such as staff from another economic development district, a university center, or a consultant, to assist in the evaluation.

F. Documentation

The CEDS document should serve as a record of all the steps of the process followed and of the broad and diverse participation of the community in the development of the strategy.

5. REPORTING REQUIREMENTS

The following reporting requirements apply only to EDDs and other EDA-funded planning organizations, in compliance with the requirements of 13 CFR, Part 303. A copy of all CEDS documents should be sent to all appropriate state agencies for information. All CEDS documents, including the initial CEDS, CEDS annual reports, and revised CEDS must be available for review and comment by appropriate state and local government bodies, and local interest groups in the area covered.

A. Initial CEDS Document

Prior to EDA approval, the initial CEDS prepared by an EDD should be submitted for review and comment to the appropriate agency of the state or states in which the EDD is located, and the comments received, if any, included with the document.

B. Annual Report

After EDA has approved the initial CEDS, EDA-funded planning grantees are required to submit annual reports. The annual report documents the progress achieved on economic development activities regardless of the source of funding, and reports on changing economic conditions. The annual report should be a short document and readily accessible to the public and decision makers to use to keep track of the CEDS and its implementation. The annual report should:

- (1) Adjust the CEDS as needed. Adjustments to the strategy may be necessary during the course of the year to take advantage of unforeseen opportunities or address unexpected problems. These adjustments should be consistent with the overall strategy and must be documented in the next annual report. Any changes in the structure or composition of the Strategy Committee or staff should also be described in the annual report.
- (2) Report on the previous year's economic development activities and any significant changes in the region's economic conditions. A report of economic development activities undertaken in the previous year should be related to the needs identified in the strategy and to the objectives of the Act. Doing so will assist EDA and other Federal agencies in reporting the benefits resulting from the use of Federal funds.
- (3) Evaluate effectiveness in meeting goals. The report should contain an evaluation that measures effectiveness in meeting the goals of the strategy and the objectives of the Act. Performance measures should be identified to

evaluate the progress of activities. EDA funded planning grantees should conduct annual evaluations of the performance of the CEDS process and include the results in the annual report submitted to EDA.

- (4) **Schedule** achievable goals for the coming year. A program of activities should be set out in a format similar to the action plan contained in the CEDS document. The details in the schedule of activities should be as definitive as possible and should set the baseline for reporting performance in the next annual report. The program of activities should also, as appropriate, be incorporated into the work program of EDA-funded planning grants.

B. Revised CEDS

A new, updated, or revised CEDS is required at least every five years, or sooner if EDA or the planning organization determines that the CEDS is inadequate due to changed circumstances. For example, the CEDS document can be amended to accommodate unforeseen changes caused by natural disasters, major economic adjustments, or rapid changes in national priorities. Any part of the CEDS document, including the program projections, development strategies, or plans for implementation, may be changed upon resolution of the area Strategy Committee, and concurrence of EDA.

6 EDA'S ROLE

The primary points of contact between the organization responsible for preparing the CEDS and EDA are the Economic Development Representatives (EDRs) or the regional office staff person assigned responsibility for the state, as well as the regional planning staff. Their role is to:

- Provide general technical assistance and advice.
- Provide general advice to the economic development organization on the best use of EDA and other Federal sources and expertise.
- Provide specific advice on which projects might be considered for EDA funding.
- Facilitate EDA approval of the CEDS and annual reports.
- Help identify other Federal programs that might be used to implement portions of CEDS.
- Help the planning organization address multiple Federal planning requirements.
- Assist the planning organization to use the resources of state governments, where appropriate.

The EDR and other regional staff may be particularly valuable in explaining environmental, civil rights, historic preservation, project notification and review, and other Federal requirements effectively and efficiently to minimize duplication among Federal programs.

Economic development organizations are encouraged to work with and make use of other EDA programs such as University Centers, Local Technical Assistance, Trade Adjustment Assistance Centers, Economic Adjustment Assistance, and State Planning Assistance. EDA regional offices and EDRs can provide current information on accessing these programs.

EDA Approval

When an initial CEDS document, an annual CEDS report, or a CEDS update is completed, one copy of the document must be sent to the EDR or the regional staff person assigned responsibility for the state, and one copy to the regional office. A copy of the CEDS document should also be submitted to the governor or the appropriate

state agency for review and comment. An attachment should be submitted to EDA listing local agencies that received a copy of the document for review and including their comments.

The document will be reviewed by the EDA regional office and the EDR. If the document is acceptable, the Regional Director will notify the area in writing within 60 days that the CEDS has been approved. If the document is unacceptable, the Regional Director will provide written comments within 60 days to the chairperson of the Strategy Committee, identifying the deficiencies and allowing additional time to correct them. Assistance in revising the document may be requested from EDA.

EDA approval is based on the following criteria:

- **Quality.** The CEDS document must respond to an area's development potential and problems and propose reasonable strategies and actions. It should also demonstrate that the CEDS process has been followed and that it involves broad participation of stakeholders in the area's economy.
- **Priorities.** The CEDS document must give priority consideration to the area's economically distressed population. The document should analyze the nature and causes of distress and adopt strategies, goals, and objectives specifically designed to reduce distress in those areas.
- **Local Initiative.** The CEDS document must identify local actions, (procedural, regulatory, and financial), that can be undertaken with little or no outside reliance on Federal financial assistance.
- **Regulatory Requirements.** The CEDS documents must demonstrate how EDA requirements and Federal regulations will be met (13 CFR Chapter III). Of particular importance are civil rights and environmental laws and regulations. Sufficient details should be provided to demonstrate compliance with all applicable civil rights requirements, directives, and regulations. The document should contain adequate environmental information and analysis to identify potential environmentally sensitive sites and issues in the region that would preclude development. The actions and projects proposed should take into account sound principles of sustainable development and smart growth.



***Economic Development Administration
U.S. Department of Commerce
14th Street & Constitution Avenue, N.W.
Washington, DC 20230
www.doc.gov/eda***

Who should be contacted for additional information?

EDA regional offices are available to respond to questions and provide additional information.

EDA field staff, including the Economic Development Representative (EDR) for your area, are listed in the Federal Register Notice of Funding Availability and on EDA's Web site at www.doc.gov/eda. EDA's six Regional Offices are:

★ Philadelphia Regional Office

The Curtis Center
Independence Square West, Suite 140 South,
1st Floor, Philadelphia, Pennsylvania 19106
Telephone: (215) 597-4603

Serves: Connecticut, Delaware, District of Columbia,
Maine, Maryland, Massachusetts, New Hampshire,
New Jersey, New York, Pennsylvania, Puerto Rico,
Rhode Island, Vermont, Virginia, U.S. Virgin Islands,
and West Virginia.

★ Atlanta Regional Office

401 W. Peachtree Street, N.W., Suite 1820
Atlanta, Georgia 30308-3510
Telephone: (404) 730-3002

Serves: Alabama, Florida, Georgia, Kentucky, Mississippi,
North Carolina, South Carolina, and Tennessee.

★ Chicago Regional Office

111 North Canal, Suite 855
Chicago, Illinois 60606-7204
Telephone: (312) 353-7706

Serves: Illinois, Indiana, Michigan, Minnesota, Ohio, and
Wisconsin.

★ Austin Regional Office

327 Congress Avenue, Suite 200
Austin, Texas 78701-4037
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Serves: Arkansas, Louisiana, New Mexico,
Oklahoma, and Texas.

★ Denver Regional Office

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Serves: Colorado, Iowa, Kansas, Missouri, Montana,
Nebraska, North Dakota, South Dakota, Utah and
Wyoming.

★ Seattle Regional Office

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Seattle, Washington 98174
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Serves: Alaska, American Samoa, Arizona, California,
Commonwealth of the Northern Mariana Islands,
Federated States of Micronesia, Guam, Hawaii,
Idaho, Nevada, Oregon, Republic of Palau, Republic
of the Marshall Islands, and Washington.



Economic Development Administration

EDA Preapplication Process



Q&A Questions and Answers

U.S. Department of Commerce





What is EDA?

The Economic Development Administration (EDA) is a Federal agency that provides grant assistance to economically distressed areas as authorized by the Public Works and Economic Development Act of 1965, as amended (PWEDA). EDA supports local, State and regional economic development efforts targeting areas of highest distress within the United States, Puerto Rico, U.S. Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Republic of Palau, and Republic of the Marshall Islands.

What types of projects can EDA fund?

EDA provides direct grants, on a cost-share basis, for projects that will create and retain private-sector jobs and leverage public and private investment in distressed areas. EDA provides community and regional economic development assistance for the following program activities:

- 1) Planning and technical assistance to build local capacity for economic development programs and projects. This includes assistance for local, State and regional planning organizations that target distressed rural and urban communities, and for University Centers and other projects that provide technical support for economic development.
- 2) Public works and development facilities to support industrial, commercial, and technology-based employment in eligible areas experiencing significant economic distress. These projects will diversify the local economy and improve conditions for sustained economic growth. Examples include grants to improve or develop transportation facilities, water and sewer systems for industrial use, industrial parks and buildings, business incubators and technology training centers, telecommunications facilities and research parks.
- 3) Economic adjustment assistance to address severe economic dislocations, natural disasters, or other special needs. In addition, grants may be used to establish revolving loan funds for business retention, expansion or new enterprise development. Funds are expected to leverage other public and private capital for strategic investments in local capital markets.

Who can apply for EDA assistance?

Units of State and local government, Indian tribes, Economic Development Districts, public and private non-profits, universities and other institutions of higher education are among eligible applicants for EDA programs (see 13 CFR Section 301).

Non-profit organizations are required to act in cooperation with officials of general purpose units of local government with jurisdiction over the project area.

How does EDA determine area eligibility?

EDA determines area eligibility for Public Works and Economic Adjustment grants based on the level of unemployment, per capita income, or special need. EDA uses the most recent 24 month period for which Federal data is available to make this determination. If Federal data is not available for the proposed project area, data must be obtained through the government of the State in which the project is located. (See EDA Regulations at 13 CFR 301.2.)

Why does EDA require a preapplication?

The preapplication is used to make preliminary eligibility and grant rate determinations, and to evaluate the competitiveness of the proposed project. The preapplication allows communities to obtain a preliminary review by EDA before undertaking the development of a full application.

How is the preapplication developed?

The Economic Development Representative (EDR) for your area determines if the project is likely to meet basic eligibility requirements and will provide a preapplication with the appropriate forms and a copy of the current Federal Register Notice of Funding Availability. The EDR can also provide contacts at other Federal, State and local agencies that may be of assistance.

You are encouraged to coordinate your project with other local, State or regional planning organizations that have jurisdiction over the project area.

What is a Comprehensive Economic Development Strategy (CEDS)?

Public works and economic adjustment projects funded by EDA must be consistent with the CEDS approved by EDA,

or other strategy accepted by EDA, for the project area (see 13 CFR Part 301.3). This statutory requirement ensures sound planning and coordination of local, State and Federal funding in response to local needs and development objectives. For most grants, the preapplication is expected to show how the project will address economic development needs and objectives outlined in the CEDS.

What is the review process for the preapplication?

The preapplication is reviewed by the EDR and other economic development professionals in the Regional Office to evaluate the merits of the proposal based on relative distress and competitive selection criteria (see 13 CFR 304), general policies and priorities as published in the Federal Register Notice of Funding Availability. The Regional Office invites projects that will significantly benefit areas experiencing or threatened with substantial economic distress.

How long does it take to receive an invitation to submit a full application?

If EDA invites an application, you can generally expect to receive a letter within 30 days of submitting a successful preapplication to the Regional Office. The time may vary depending on the time of the year and the number of proposals submitted to the Regional Office for funding consideration.

Does EDA require a non-Federal share?

EDA generally requires a 50 percent match for grants. Examples of non-Federal sources include applicant contributions, State and local grants and loans, general obligation bonds, and other public and private contributions. In-kind contributions may include land, space, equipment, and other costs determined by EDA as eligible project costs.

Can EDA waive or reduce the non-Federal share?

An applicant can request a waiver or reduction of the non-Federal share, based on criteria established in EDA regulations at 13 CFR 301.4. Applicants eligible for a reduction or waiver are asked to provide a 50 percent match whenever possible.



Economic Development Administration



EDA Application Process

Questions and Answers



U.S. Department of Commerce





What is the purpose of this application kit?

This kit provides pertinent information and forms required to complete an application for Federal assistance from the Economic Development Administration (EDA).

How does the application process work?

EDA invites applications generally for those projects that have been determined most likely to have a significant impact on areas experiencing or threatened with substantial economic distress. (See regulations at 13 CFR Part III and the current Federal Register Notice of Funding Availability at www.doc.gov/eda).

If EDA invites an application for your project, the application forms and requirements in this kit are generally to be completed and returned to EDA within 30 days of receiving the invitation letter. The letter provides important information and instructions for applicants, including preliminary eligibility and grant rate determinations.

Who can provide assistance for completing application requirements?

Applicants for community and regional economic development assistance should contact the EDR or Regional Office for assistance in completing the application. Economic Development Districts, University Centers, and State planning agencies may also be able to provide assistance. Professional services may be required for construction grants, including preliminary engineering, environmental, and legal support. Check with the Regional Office to determine if any preliminary costs are eligible for reimbursement.



What happens to incomplete applications?

Incomplete applications may delay a funding decision. The application must show that all general and program-specific requirements have been met and certain legal, civil rights, and other requirements for Federal assistance have been satisfied. EDA staff will contact you in writing or by telephone to request clarification or submission of additional information required to make legal or technical findings.

How long does it take for a determination?

EDA's goal is to process grant applications that are complete with no deficiencies within a period of 60 calendar days.

What happens after project approval?

Shortly after the grant award has been affirmed, EDA staff will contact you to review the terms and conditions of the grant award, including the budget and time schedule for the project. The grant award package includes guidance for properly managing grant funds and project activities. In some cases, this may include financial, legal, or environmental requirements that must be satisfied prior to the initial or final disbursement of grant funds. Grantees are expected to provide regular progress, financial, and performance reports to the Regional Office.

When does EDA disburse its funds for approved projects?

EDA disburses its share of funds for eligible costs in accordance with terms and conditions set forth in the grant award. In general, funds are reimbursed to grantees for work that has been completed on eligible project activities.





For construction projects, normally initial disbursements are not made until all construction contracts required for the project have been approved by EDA.

How long does it take EDA to approve disbursement requests?

EDA regional offices normally approve disbursement requests within two weeks from the date of receipt. The initial request and final disbursement may require more time. The length of time depends upon the grantee's progress in meeting conditions of the grant agreement.

How are Federal payments made?

To facilitate and expedite payments, disbursement requests are entered into the Electronic Certification System (ECS) and transmitted to the U.S. Treasury Department. Payments are made electronically through the Automated Clearinghouse directly to the recipient's bank. Recipients must complete a payment information form and return it to the Regional Office.

Who provides assistance for post-approval activities?

The EDA Regional Office is responsible for post-approval management. Regional Office staff and the EDR work closely with grantees to successfully complete projects and meet program objectives. EDA also provides grantee training at regional conferences and conducts on-site visits to monitor project progress, resolve issues, and evaluate performance.



Does the applicant need to report on measures of performance?

Yes, under Government Performance and Results Act (GPRA), Federal agencies are required to identify and report to Congress on program performance measures. Program performance measures will be used in accountability reports that are subject to audit by the Inspector General. Applicants who are approved for Federal assistance are required to comply with GPRA reporting requirements.

Who can answer additional questions on filling out the application kit?

EDA regional offices listed in this brochure are available to provide additional information. The Economic Development Representative (EDR) for your area is listed in the Federal Register Notice of Funding Availability and on EDA's Web site at www.doc.gov/eda.

Contact information for EDA's Research and National Technical Assistance program is also provided.





★ **Philadelphia Regional Office**

The Curtis Center
Independence Square West, Suite 140 South,
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Seattle, Washington 98174
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Serves: Alaska, American Samoa, Arizona,
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Mariana Islands, Federated States of
Micronesia, Guam, Hawaii, Idaho, Nevada,
Oregon, Republic of Palau, Republic
of the Marshall Islands, and Washington.

For additional information on National Technical
Assistance, Training, and Research and
Evaluation grants or cooperative agreements,
please contact the RNTA staff at EDA
Headquarters as shown below:

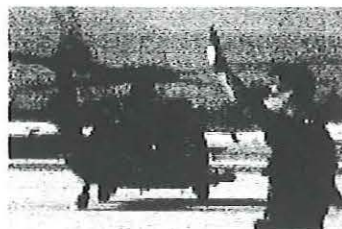
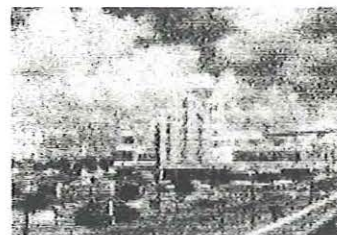
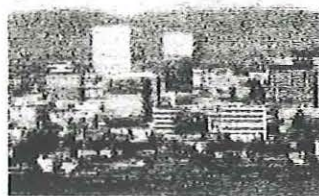
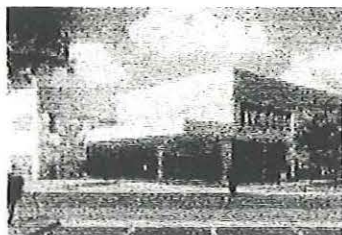
★ **Research and**

National Technical Assistance

Economic Development Administration,
Room 7019
Washington, DC 20230
Telephone: (202) 482-4085



ECONOMIC DEVELOPMENT ADMINISTRATION



Fostering Involvement

Encouraging Innovation

Leveraging Investment

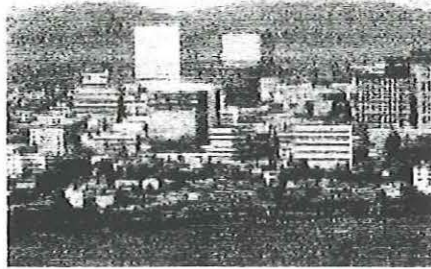
PROGRAMS GUIDE

*Bringing the Success of America's
Economy to all of America's Communities*



AGENCY MISSION

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 et seq.), to generate jobs, help retain existing jobs, and stimulate industrial, technological, and commercial growth in economically-distressed areas of the United States. EDA assistance is available to rural and urban areas of the nation experiencing high unemployment, low income, or other severe economic distress.



In fulfilling its mission, EDA is guided by the principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Based on these locally- and regionally-developed priorities, EDA works in partnership with state and local governments, regional economic development districts, public and private nonprofit organizations, and Indian tribes. EDA helps distressed communities identify and address problems associated with long-term economic distress, as well as sudden and severe economic dislocations including natural disasters, closure of military installations and other federal facilities, changing trade patterns, and the depletion of natural resources.

OUR STORY

The Economic Development Administration (EDA), an Agency of the United States Department of Commerce, provides financial assistance to help distressed communities overcome barriers that inhibit the growth of their local economies.

As the Nation enters the 21st century in the midst of unprecedented growth and prosperity, not all the country is sharing in this expansion. Large areas of the country lag behind economically, technologically, and in quality of life indicators. Throughout the Agency's 35-year history, EDA's primary mission has been to help lessen this gap.

EDA's recognition that economic development is an inherently local process has allowed the Agency to be innovative, flexible, and responsive to community needs despite changing national and local economies and a continually evolving development field. For over 35 years, EDA has demonstrated its ability to design and implement effective, innovative, and coordinated multi-faceted programs to help communities meet challenges of substantial and persistent economic deterioration as well as economic dislocations brought about by sudden and severe changes in local economic conditions.

In the sixties, EDA established a nation-wide network of locally-based regional economic development districts (EDD's). In the seventies, the network expanded to include support for University Centers, Native American communities, business incubators, Revolving Loan Funds, and Trade Adjustment Assistance Centers. By the eighties, EDA became heavily involved in defense adjustment due to congressional mandates for base realignment and closure (BRAC). And in the nineties, EDA's innovative work included long-term post-disaster recovery, eco-industrial development, Brownfield redevelopment, technology-led development, and the exploration of secondary markets as an additional source of economic development loan capital.

The Agency's broad range of tools allows it to complement and work in partnership with distressed communities. EDA's planning programs help communities develop comprehensive strategies for local economic development. The technical assistance program creates opportunities for the testing and refining of these strategies; while infrastructure, capital access, and trade adjustment programs provide a means to implement local strategies.

EDA promotes the strategic investment of resources for economic growth, sustainable development, and private sector partnerships. Ultimately, EDA investments 1) work to build local capacity; 2) enable state, local and economic development practitioners to better understand and address challenges and opportunities of an area's economy; and 3) provide a source of capital to help fund modern, innovative, and critical infrastructure and business finance projects that can help communities move forward.

EDA is dedicated to providing the leadership, expertise, and program tools that will enhance the economic opportunities for all citizens in America's distressed communities.

Chester J. Straub, Jr.
Acting Assistant Secretary for Economic Development

PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROGRAM

ECONOMIC ADJUSTMENT PROGRAM

RESEARCH AND NATIONAL TECHNICAL ASSISTANCE PROGRAM

PARTNERSHIP PLANNING FOR ECONOMIC DEVELOPMENT
DISTRICTS, INDIAN TRIBES, AND OTHER ELIGIBLE AREAS

SHORT-TERM PLANNING TO STATES, SUB-STATE
PLANNING REGIONS, AND URBAN AREAS

TECHNICAL ASSISTANCE PROGRAM (LOCAL)

UNIVERSITY CENTER PROGRAM

TRADE ADJUSTMENT ASSISTANCE PROGRAM

Program funding levels reflect yearly and supplemental appropriations, reimbursables, and other Federal agency transfers to EDA. EDA is committed to a policy of non-discrimination in the administration of all its programs.

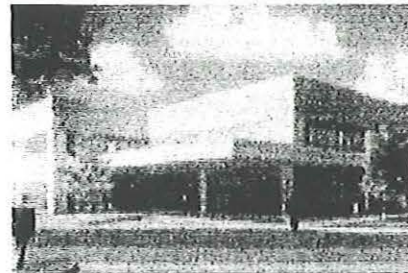


PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROGRAM

Program Goals

The Public Works Program empowers distressed communities in economic decline to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

In many cases, public works projects are used to upgrade or expand an area's economic infrastructure to support the next generation of industry or commerce. Whenever possible, this program seeks to redevelop existing facilities and industrial/commercial locations. EDA encourages such redevelopment projects because they promote sustainable economic development by taking advantage of readily available infrastructure and markets.



Project Focus

The Public Works and Economic Development Program supports locally-developed projects that encourage long-term economic self-sufficiency and global competitiveness. Examples of past infrastructure investments include water and sewer facilities, industrial access roads, rail spurs, port improvements, skill-training facilities, technology-related infrastructure, as well as the demolition, renovation, and construction of publicly-owned facilities.

These investments support a variety of specific economic development strategies including technology-led development, business incubators, natural disaster mitigation, cluster-based development, aquaculture facilities, diversification of natural resource dependant economies, distance learning facilities, export programs, commercialization and deployment of innovative technologies, redevelopment of Brownfields sites, and business/industrial development.

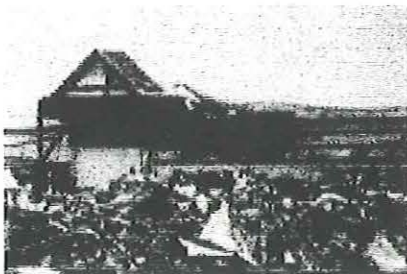
Funding Level: ★FY 98 \$177,905,000 ★FY 99 \$205,748,000 ★FY 00 \$204,521,000
FY 99 Average Grant: \$829,000



ECONOMIC ADJUSTMENT PROGRAM

Program Goals

Economic change may occur suddenly or over time, and generally results from industrial or corporate restructuring, natural disaster, reduction in defense expenditures, depletion of natural resources, or new Federal laws or requirements.

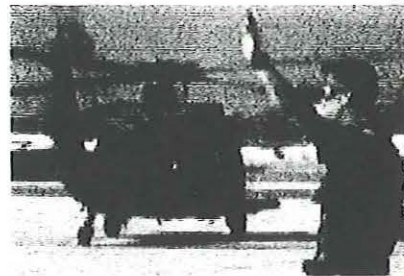


The Economic Adjustment Program assists state and local interests design and implement strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base.

The Economic Adjustment Program receives annual appropriations for its Regular Economic Adjustment Programs and Defense Adjustment activities. In addition, the Program receives special appropriations to assist communities with economic recovery from specific industry and/or natural disasters.

Project Focus

The Economic Adjustment Program predominantly supports three types of grant activities: strategic planning, project implementation, and revolving loan funds. Strategy grants help organize and carry out a planning process resulting in a Comprehensive Economic Development Strategy (CEDS) tailored to the community's specific economic problems and opportunities. Implementation grants support one or more activities identified in an EDA-approved CEDS. Activities may include, but are not limited to, the creation/expansion of strategically targeted business development and financing programs such as, construction of infrastructure improvements, organizational development and market or industry research and analysis. Revolving Loan Fund (RLF) grants may also be used to implement a CEDS. These grants capitalize a locally administered fund and are used for making loans to local businesses, which in turn, create jobs and leverage other private investment while helping a community to diversify and stabilize its economy.



Economic Adjustment Funding Level: ★FY 98 \$29,654,000 ★FY 99 \$34,629,000 ★FY 00 \$34,629,000

Defense Adjustment Funding Level: ★FY 98 \$39,000,000 ★FY 99 \$34,800,000 ★FY 00 \$77,300,000

FY 99 Average Grant: \$175,000 (Regular); \$1,266,000 (Defense)



RESEARCH AND NATIONAL TECHNICAL ASSISTANCE PROGRAM

Program Goals

The Research and Technical Assistance Program aims to: develop a comprehensive base of information about economic development issues; disseminate information to local, state, and national economic development practitioners; and measure the performance of economic development programs.



Project Focus

Information dissemination grants make critical information about economic development programs, projects and emerging issues available to practitioners through different means, such as targeted newsletters, web sites, and conferences. Research grants examine in depth important existing and emerging issues in economic development, and document the results for practitioners and policy makers. Evaluation grants systematically assess the economic impact of funding under EDA's programs to measure each program's effectiveness, and to make recommendations for improving the program.

Eligible applicants include nonprofit organizations, institutions of higher learning, for-profit entities, and private individuals. Research and National Technical Assistance funds may not be used to start or expand a private business.

★ SPECIAL NOTE ON RESEARCH AND NATIONAL ★ TECHNICAL ASSISTANCE APPLICATIONS

Generally, EDA announces the scope of work of each project to be funded through a Notice in the *Federal Register* and requests proposals of no more than 10 pages. The Notice also sets forth the proposal and application process, deadlines, and funding information.

National TA Funding Level: ★FY 98 \$1,294,000 ★FY 99 \$1,409,000 ★FY 00 \$1,101,000
Research Funding Level: ★FY 98 \$500,000 ★FY 99 \$500,000 ★FY 00 \$500,000
FY 99 Average Grant: \$42,000 (Research); \$108,000 (National TA)



PARTNERSHIP PLANNING GRANTS FOR ECONOMIC DEVELOPMENT DISTRICTS, INDIAN TRIBES, & OTHER ELIGIBLE AREAS

Program Goals

Ongoing planning grant assistance provides support for the formulation and implementation of local economic development programs as well as strategies designed to create and retain permanent jobs and increase income for the unemployed and underemployed in areas of economic distress. Grants are intended to enhance economic development planning capability, support the formulation of development policies, and assist in building local institutional capacity.

Project Focus



Planning grants are awarded to establish and implement effective economic development programs at local and regional levels. Eligible activities under this program include the preparation and maintenance of a Comprehensive Economic Development Strategy (CEDS) process; implementation of the elements of the strategy; and the provision of planning and technical assistance services to communities and local governments within the organization's jurisdiction.

The Partnership Planning Program provides funding to help EDA partners develop a local comprehensive planning participatory process leading to the formulation and implementation of economic development strategies. Long-term support is provided to EDA partners such as economic development districts (EDDs), Indian tribes, and organizations representing other eligible economically distressed areas that maintain a CEDS process. Grants are normally awarded on an annual basis and priority consideration is given to currently funded grantees with satisfactory performance.

Funding Level: ★FY 98 \$20,347,000 ★FY 99 \$20,373,000 ★FY 00 \$20,400,000
FY 99 Average Grant: \$54,000 (EDDs); \$42,000 (Indian)



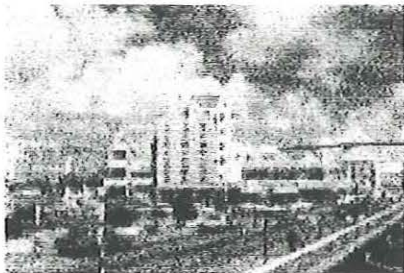
SHORT TERM PLANNING GRANTS TO STATES, SUB-STATE PLANNING REGIONS, AND URBAN AREAS

Program Goals

Planning grants provide support for significant new economic development planning, policymaking and implementation efforts, and to establish comprehensive economic development planning processes cooperatively with the state, the state political subdivisions, and economic development districts.

Project Focus

Planning grants assist economic development planning and implementation activities such as economic analysis, definition of economic development goals, determination of project opportunities, and the formulation and implementation of development programs that include systematic efforts to generate employment opportunities, reduce unemployment, and increase incomes.



Eligible activities include the preparation and maintenance of a continuous comprehensive economic development planning process, coordination of multi-jurisdictional planning efforts, development of institutional capacity, diversification of the local economic base and implementation of programs, projects and procedures designed to create and retain permanent jobs and increase incomes.

States receiving assistance are required to maintain a Comprehensive Economic Development Strategy (CEDS) which has been developed in cooperation with the political subdivisions and the economic development districts of the state. EDA assistance for overall state economic development planning promotes comprehensive economic development, fosters effective transportation systems, enhances and protects the environment, and encourages development through sound management resources and sustainable development practices. EDA assistance is limited to 12 months and may be extended up to 36 months.

Funding Level: ★FY 98 \$3,677,000 ★FY 99 \$3,507,000 ★FY 00 \$3,600,000
FY 99 Average Grant: \$61,000



Technical Assistance Program (Local)

Program Goals

The Technical Assistance Program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.

Project Focus

Resources for economic development projects are especially scarce in distressed areas. Without complete information, local public sector and nonprofit officials face difficult challenges in allocating those limited resources. Grants under the Local Technical Assistance program often support feasibility studies on potential economic development projects, such as industrial parks or business incubators, that communities are considering. These feasibility studies, which analyze the various economic, financial, and social aspects of the proposed projects, provide local leaders with a thorough basis for making informed economic development decisions.

The strength of the Local Technical Assistance program is its flexibility to support a variety of activities that address local economic development needs. Some communities and regional organizations, for example, have used Local Technical Assistance grants to develop revitalization plans, to prepare tourism development strategies, to sponsor economic development conferences or seminars, and to establish geographic information systems for local planning and development purposes.



Funding Level: ★FY 98 \$1,596,000 ★FY 99 \$2,075,000 ★FY 00 \$1,500,000
FY 99 Average Grant: \$28,000



UNIVERSITY CENTER PROGRAM

Program Goals

The University Center Program is a Federal/academic partnership that makes resources at institutions of higher education available to the economic development community.

Project Focus

Institutions of higher education have a variety of resources including faculty, staff, students, laboratories, and computer systems. EDA's University Center program helps institutions of higher education in establishing and operating outreach programs that use those resources to provide technical assistance on economic development projects and programs. EDA considers the University Centers long-term partners in fostering local economic development.



University Centers generally work with units of local government and nonprofit organizations. Frequently, a Center will work to complete a preliminary feasibility study of an economic development project a nonprofit organization is considering, analyze socio-economic data to help a community project future demand for infrastructure expansions, or conduct a specialized workshop or seminar, such as strategic planning.

Some University Centers target their efforts on technology transfer assistance to small and medium sized firms. For example, a Center may help a firm to redesign a product to meet a specific standard, to identify energy savings improvements, or to solve a technical or engineering problem in a manufacturing process.

University Centers are evaluated at least once every three years with peer reviewer participation. Priority consideration for funding is given to institutions already participating in the program that demonstrate satisfactory performance.

Funding Level: ★FY 98 \$6,541,000 ★FY 99 \$6,365,000 ★FY 00 \$6,499,000
FY 99 Average Grant: \$92,000



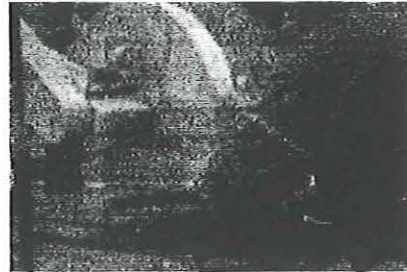
TRADE ADJUSTMENT ASSISTANCE PROGRAM

Program Goals

EDA uses a national network of 12 Trade Adjustment Assistance Centers to help manufacturers and producers injured by increased imports prepare and implement strategies to guide their economic recovery. The Trade Adjustment Assistance program is authorized by the Trade Act of 1974, as amended.

Project Focus

Trade Adjustment Assistance Centers (TAACs) aid affected firms in completing and submitting a petition to EDA for certification of eligibility and ultimately, to apply for assistance under the program. Once the petition is approved, the TAAC helps the firm in preparing an adjustment proposal. This document includes an objective analysis of the firm's strengths, weaknesses, threats, and opportunities and serves as a recovery plan for the firm. After EDA approves the adjustment plan, the firm can receive cost-share assistance from the TAAC typically, from a private sector consultant. EDA funding normally pays 50% or \$75,000, whichever is less, while the firm pays the remaining share. Types of technical assistance provided under the program include: market research; development of new marketing materials including e-commerce; identification of technology, computer systems, and software to meet specific needs of the firm; and completion of a quality assurance program such as ISO-9000.



The Trade Act also authorizes technical assistance for industry-wide projects, where an entire industry has been injured by increased imports. Eligible applicants for industry-wide projects include trade associations, unions, and other appropriate organizations with an understanding of the industry and its problems. (Because of limited program resources, industry-wide projects have not been supported in recent years.)

Funding Level: ★FY 98 \$9,500,000 ★FY 99 \$9,500,000 ★FY 00 \$10,500,000
FY 99 Average Grant: \$791,000

APPLICATION PROCESS

Eligible Applicants

Eligible applicants include economic development districts; states, cities or other political subdivisions of a state or a consortium of political subdivisions; Indian tribes or a consortium of Indian Tribes, an institution of higher learning or a consortium of such institutions; or a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

★ ★ ★ ★ HOW TO GET STARTED ★ ★ ★ ★

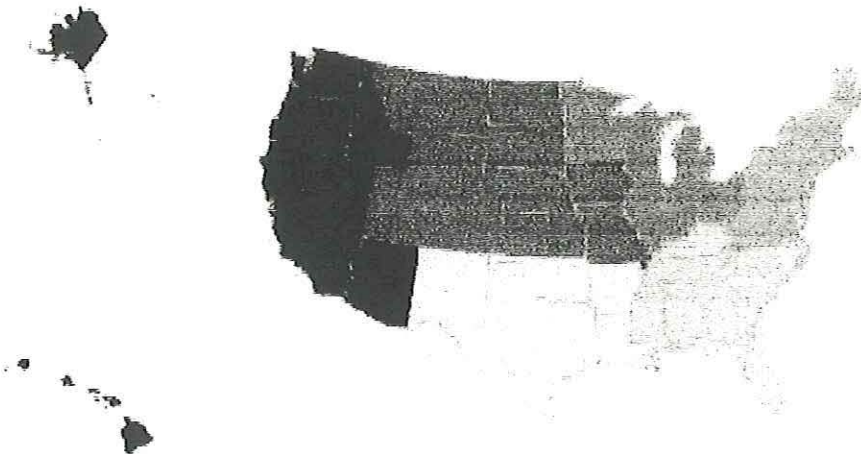
Interested applicants are encouraged to contact the appropriate EDA Regional Office or Economic Development Representative to discuss the proposal and obtain additional EDA program information, application instructions and forms. See the back page of this booklet to locate your EDA Regional Office and begin the application process. EDA regulations and other information are available on the EDA website: www.doc.gov/eda

Selection Criteria

All EDA projects are evaluated competitively and must meet both general criteria applicable to all programs as well as special criteria that may vary by program. These general and special selection criteria are explained in EDA's Regulations at 13 CFR Chapter 3 and in the Agency's annual Notice of Funds Availability published in the *Federal Register*.

Project Structure

Projects are located in an area exhibiting economic distress at the time of application. Projects located outside these areas may be considered if they directly benefit a distressed area. All Public Works and Economic Adjustment projects must be consistent with an EDA-approved Comprehensive Economic Development Strategy (CEDS). EDA usually funds 50% of project cost, however certain conditions of high economic distress or an applicant's inability to provide the matching share may permit a higher grant rate. Grant rate requirements may also be found in EDA's regulations at 13 CFR Chapter 3.



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