

Dear members,

Guidelines for accessing stimulus dollars from the U.S. Department of Commerce's Economic Development Administration now are available at www.nbia.org/works or on the EDA Web site at www.eda.gov/InvestmentsGrants/FFON.xml. These guidelines provide detailed instructions and Web links necessary to apply for federal stimulus money. Unfortunately, they do not answer all our questions about match requirements and definitional issues, but we will alert you as additional clarifications become available.

The \$150 million in EDA stimulus funds will be awarded to “promote comprehensive entrepreneurial and innovation-based economic development efforts to enhance the competitiveness of regions, resulting in increased private investment and higher-skill, higher-wage jobs in regions that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.”

The federal funding opportunity (FFO) announcement speaks of the normal cost-share requirement that EDA fund no more than 50 percent of any project, and information on “Special Need Criteria” (section VII) outlines projects that may be eligible due to corporate employee reductions, military base closures and other circumstances. Language in the FFO notes that up to 100 percent of a project may be funded for applicants (including nonprofits) that have exhausted their borrowing capacity. The FFO further describes distressed communities that have suffered from reduced tax bases, foreclosures and other issues related to the economic downturn.

Those interested in applying for these funds should carefully review the FFO and other information found at www.nbia.org/works. This Web site provides information on EDA funding programs, regional offices and requirements, and reports on new EDA research conducted by Grant Thornton that proves incubators' job creation successes and the return on federal investment in business incubation.

After reviewing the FFO and other materials, prospective applicants should discuss specific projects and eligibility requirements with their EDA regional district offices and state representatives.

The FFO notes that EDA will give priority to:

- Regions that have experienced “sudden and severe economic dislocation and job loss due to corporate restructuring”
- Applicants that include cash contributions (over in-kind contributions) as the matching share
- Projects that will “diversify the economic base and lead to a stronger, more globally competitive and resilient regional economy”
- Activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be started no later than 120 days after the date of the enactment of the Act (Feb. 17, 2009)
- Projects that use grant funds in a manner that maximizes job creation and economic benefit

Our reading is that the guidelines will be administered in a flexible manner in regards to match requirements, definitions of distressed communities and timing issues. While EDA would like to get money out quickly, any unexpended funds will remain available until Sept. 30, 2010.

In addition to reviewing other materials at www.nbia.org/works, we encourage you to check out the resources we have compiled to help our members cope with the recession at www.nbia.org/resource_center/recession_resources/index.php.

Sincerely,

Dinah Adkins
NBIA President & CEO