



UNITED STATES DEPARTMENT OF COMMERCE

Economic Development Administration

504 Lavaca, Suite 1100

Austin, Texas 78701-2858

JUN 25 2007

In reply refer to:

Investment No.: 08-86-04201

The Honorable Juan Salinas
Hidalgo County Judge
100 East Cano
Edinburg, Texas 78539

RECEIVED

JUN 29 2007

COUNTY JUDGE

Dear Judge Salinas:

I am pleased to announce that the Department of Commerce's Economic Development Administration (EDA) has approved a Financial Assistance Award in an amount not to exceed \$323,995 in response to your application for Federal assistance. This investment will further the County's economic development activity to develop and implement a comprehensive economic development strategy throughout Hidalgo County.

Enclosed are three signed copies of the Financial Assistance Award and the award conditions. These documents specify the prerequisites with which you must agree to comply before accepting this award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on all of the signed copies of the Financial Assistance Award. Two executed copies should be returned to the Director, Austin Regional Office, Economic Development Administration, 504 Lavaca Street, Suite 1100, Austin, Texas 78701-2858.

You are cautioned neither to make any commitments in reliance on this award, nor to enter into negotiations relative hereto, until you have carefully reviewed the terms and conditions and have determined that you are in compliance or that you can comply therewith. Any commitments or undertakings entered into prior to obtaining the approval of the Government in accordance with its regulations and requirements will be at your own risk. This obligation may be terminated without further cause if the signed copies of Financial Assistance Award are not returned within 30 days of receipt.

Sincerely,

Pedro R. Garza
Regional Director

Enclosures

2. **OTHER FUNDING SOURCES:** Federal funds for this program shall not be used to replace any financial support previously provided or assured from any other source. The Recipient agrees that the general level of expenditure by the Recipient for the benefit of program area and/or program designated in the Special Terms and Conditions of this award, or any amendment or modification thereto, shall be maintained and not reduced as a result of the Federal-share funds received under this program.
3. **REIMBURSEMENT FOR TRAVEL:** Travel by the Recipient confined to the EDA region(s) within which that Recipient is operating and/or to Washington, D.C., for purposes related to the award, does not need prior approval, as long as approved budgeted travel funding levels are not exceeded. Travel which is not in an approved work schedule plan must have prior approval of the FPO.
4. **RECIPIENT CONTRIBUTIONS:** When all or part of the local share match is in-kind, the evaluation of such in-kind local share match is subject to reevaluation by EDA at any time, and any deficiency so determined by EDA shall be compensated by supplemental contributions by the Recipient as a condition for further disbursements by EDA.
5. **PERFORMANCE MEASURES:** The Recipient agrees to report on program performance and project outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. The performance measures that apply to this project are included with and made a part of the grant award package in the Special Award Conditions. EDA will advise the Recipient in writing, within a reasonable period prior to time of submission, in the event there are any modifications in the performance measures.

Economic Development Administration
SPECIAL AWARD CONDITIONS

1. Award, number 08-86-04201, to Hidalgo County, Texas supports the work described in the Recipient's application received May 18, 2007, which is incorporated into the award by reference. Where the terms of the award and proposal differ, the terms of the award shall prevail.
2. The Recipient Authorized Representative's and Contact's name, title, address, and telephone number are:

Authorized Representative

The Honorable Juan Salinas, County Judge
Hidalgo County
100 East Cano
Edinburg, Texas 78539
(956) 318-2600, telephone

Point of Contact

Ms. Sofia Hernandez, Economic Development Director
(956) 318-2600, telephone
(956) 318-2699, fax
E-mail: Sofia.Hernandez@co.hidalgo.tx.us

3. The Grants Officer's name, title address, and telephone number are:

Pedro R. Garza, Regional Director
Economic Development Administration
Austin Regional Office (AURO)
504 Lavaca Street, Suite 1100
Austin, Texas 78701-2858
(512) 381-8144
(512) 381-8177, fax

4. The Federal Program Officer's name, title, and telephone number are:

Jorge D. Ayala, Area Director
(512) 381-8176
JAyala@eda.doc.gov

5. The Grant Specialist's name, title and telephone number are:

Patricia D. Shorter, Sr. Program Specialist
(512) 381-8142
PShorter@eda.doc.gov

6. **Project Description:** This investment supports the development and implementation of a countywide Comprehensive Economic Development Strategy (CEDS) for Hidalgo County, Texas.

7. **Authorized Budget:**

A. Under the terms of the Award, the approved budget is:

Federal Cash Contribution	\$323,995	(80.00%)
Recipient Contribution	<u>81,000</u>	<u>(20.00%)</u>
Total	\$404,995	100.00%

B. **Budget Categories**

Direct Charges:

Personnel.....	\$155,000
Fringe Benefits.....	39,394
Travel	6,000
Equipment	0
Supplies.....	9,601
Contractual.....	120,000
Other	75,000
Total Direct Charges.....	\$404,995
Indirect Charges	0
Grand Total.....	\$404,995

C. **Budget Narrative**

- a. Travel includes local, in state, and out-of-state. Out-of-state travel will only be for EDA authorized events only.
 - b. Supplies include consumable items needed to support operations.
 - c. Other includes copies, postage, software, publications and printing, advertising, marketing, forums, and town hall meetings.
8. The Recipient agrees that the program described in the Application for Federal Assistance received on May 18, 2007, is incorporated by reference herein. The Recipient further agrees that the total cost of the program is defined in Paragraph 7 of the Special Award Conditions and that the funds designated for each line item may not be used for costs associated with another line item, except in compliance with applicable regulations, directives, and circulars, et al. The Recipient further agrees that the total award will be used as defined in the Scope of Work.
9. In affirming this Award, the Recipient certifies that the non-federal share of the project costs is committed and is available as needed for the project and the non-federal share is from sources, which can be used as match for the EDA project. The Recipient also agrees to provide the Recipient's contribution for eligible project expenses in proportion to the Federal share requested for such project expenses.

10. Investment Time Schedule: The Recipient agrees to the following time schedule:

- A. Return the executed Financial Assistance Award within 30 days of receipt.**
- B. This award extends for 24 months from date of approval.**
- C. Investment closeout: All project closeout documents, including final financial information and any required program reports, shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed project from the contractor(s).**

The Recipient shall pursue diligently the development of the project so as to ensure completion of the project and submission of closeout documents within this time schedule. Moreover, the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the award in accordance with the regulation set forth at 15 CFR 24.45 or 15 CFR 14.61.

11. Award Payments: EDA will make award payments when the Recipient submits SF-270, Request for Advance or Reimbursement. Payments may be processed quarterly for the periods ending March 31, June 30, September 30, and December 31.

12. Performance Measures: The Recipient agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. Performance measures and reporting requirements that presently apply to program activities funded by this investment will be provided in a separate GPRA information collection document. EDA will advise Recipients in writing within a reasonable period prior to the time of submission of the reports, and in the event that there are any modifications in the performance measures.

13. Program income earned during the award period shall be retained by the Recipient and shall be used to meet the cost sharing or matching requirement of the award.

14. In the event of a change in the professional staff positions funded with the EDA grant, the Recipient shall provide the name and qualifications of the individual selected to fill the position to AURO.

15. The Recipient shall submit all refund checks to the Department of Commerce (DoC) accounting office identified below. All checks must identify on their face the name of the DoC agency funding the award, award number, and no more than a two-word description to identify reason for refund. A copy of the check should be provided to the AURO Federal Program Officer.

Accounting Division
Economic Development Administration
PO Box 100202
Atlanta, GA 30384

16. Reporting Requirements: The following reports are due on the dates indicated:

- A. Status report:** The recipient shall submit a status report of project activities and accomplishments every six months for the periods ending June 30th and December 31st; reports are due no later than 30 days following the end of each reporting period.
- B. Financial Reports:** Semi-annual reports shall include the Financial Status Report (SF-269) and Federal Cash Transactions Report (SF-272) for the periods ending June 30 and December 31.

The final financial report should include all expenses charged for the entire award period. EDA will close the award on the basis of the final financial report. In order to properly close the award, a detailed or itemized budget reflecting actual expenditures must be submitted with the final financial report. These expenditures should breakdown the federal and non-federal costs. Also, EDA may, however, revise the eligible project costs based upon the audit report, if required under the Standard Terms and Conditions.

All reports and correspondence related to this investment are to be submitted to the Federal Program Officer and the Grants Specialist identified under item 4 and 5.

- 17. Audit Requirements:** Applicable audit requirements are contained in OMB Circular A-133. Any references to audit requirements contained in 15 CFR Part 29a and in 15 CFR 29b in the terms and conditions governing this project are replaced by OMB Circular A-133.

Attachment A.

SCOPE OF WORK

Work elements:

- A. Establish and maintain a Comprehensive Economic Development Strategy (CEDS) process. The process will be conducted in accordance with EDA regulations set forth at 13 CFR § 303.6. A summary is referenced as Attachment B.
- B. Coordinate economic development planning with other economic development entities such as chambers of commerce, business associations, local, regional, and state government economic development departments and EDA-funded entities.
- C. Notify the Southwestern Regional Office of any plant closures or significant downsizing, disaster designations, base realignments or closures, or any other sudden and severe economic dislocation within the County.
- D. The CEDS will embrace the principles of entrepreneurship, enhance regional clusters, and leverage technology innovators and local universities to the private sector.
- E. Submit Performance Measures Reports annually by completing the GPRA Data Collection Form (ED-916). The annual reporting schedule is outlined in Paragraph 18. E.



U.S. Department of Commerce
Economic Development Administration



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES
CEDS
SUMMARY OF REQUIREMENTS

Note: This document provides a synopsis of the requirements for comprehensive economic development strategies. For further information, interested parties are directed to section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. § 3162) and EDA's regulations at 13 C.F.R. part 303. The document is intended to serve as a convenient source for requirements relating to the CEDS. Nothing in this document is intended to supersede or otherwise modify EDA's statute, regulations, policies or procedures.

Introduction: A comprehensive economic development strategy (CEDS) is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS should analyze the regional economy and serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. A CEDS integrates a region's human and physical capital planning in the service of economic development. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region's unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs for the region's residents. A CEDS must be the result of a continuing economic development planning process developed with broad-based and diverse public and private sector participation, and must set forth the goals and objectives necessary to solve the economic development problems of the region and clearly define the metrics of success. Finally, a CEDS provides a useful benchmark by which a regional economy can evaluate opportunities with other regions in the national economy.

Who should develop a CEDS? A Planning Organization seeking to formulate and implement a regional economic development program will benefit from developing a CEDS. Successful economic development efforts are based on CEDS that provide an economic roadmap to diversify and strengthen regional economies. The Public Works and Economic Development Act of 1965, as amended (PWEDA), requires a CEDS in order to apply for investment assistance under EDA's Public Works or Economic Adjustment Assistance Programs. At EDA's discretion, EDA may accept CEDS that it has funded or CEDS prepared independently of EDA investment assistance or oversight.

The following sections set out below on "Planning Organizations" and "Strategy Committees" cover the requirements for EDA-funded CEDS, while the remainder of this document pertains to technical requirements for CEDS. *It should be noted that in determining the acceptability of a CEDS prepared independently of EDA investment assistance or oversight for projects under 13 C.F.R. parts 305 or 307, EDA may in its discretion determine that the CEDS is acceptable without it fulfilling every requirement set out in 13 C.F.R. § 303.7. In doing so, EDA shall consider the circumstances surrounding the application for investment assistance, including emergencies or natural disasters, and the fulfillment of the requirements of Section 302 of PWEDA.*

A. EDA-funded CEDS

Pursuant to 13 C.F.R. § 303.6, if EDA awards Investment Assistance to a Planning Organization to develop, revise, or replace a CEDS, the Planning Organization must follow the procedures set forth in paragraphs A.1 and A.2.

1. Planning Organization: A Planning Organization (as defined in 13 C.F.R. § 303.2), typically an Economic Development District (EDD) or Indian Tribe, may be eligible for EDA planning investment assistance. The purpose of such assistance is to develop a CEDS for a specific EDA-approved region. The Planning Organization is responsible for:

- Appointing a Strategy Committee (CEDS Committee);
- Developing and submitting to EDA a CEDS that complies with 13 C.F.R. § 303.7;
- Making a new or revised CEDS available for review and comment by the public for a period of at least thirty (30) days prior to submission of the CEDS to EDA;
- Obtaining approval of the CEDS from EDA;
- After obtaining approval of the CEDS, submitting to EDA an updated CEDS performance report annually. The **performance report**, in addition to reporting progress on CEDS implementation, should also discuss community and private sector participation in the CEDS effort. Any performance report that results in a change in the technical components of the EDA-approved CEDS must be available for review and comment by the public for a period of at least thirty (30) days prior to submission of the performance report to EDA;
- Submitting a copy of the CEDS to any Regional Commission if any part of the EDA-approved EDD region is covered by that Commission;
- Submitting a new CEDS to EDA at least every five (5) years, unless EDA or the Planning Organization determines that a new CEDS is required earlier due to changed circumstances.

2. Strategy Committee: The Strategy Committee is the entity identified by the Planning Organization as responsible for developing, revising, or replacing the CEDS. The Strategy Committee **must represent the main economic interests** of the region, and **must include Private Sector Representatives** (defined in 13 C.F.R. § 300.3, with respect to any for-profit enterprise, as any senior management official or executive holding a key decision making position, or that person's designee) **as a majority of its membership**. In addition, the Planning Organization should ensure that the Strategy Committee also includes:

- Public officials;
- Community leaders;
- Representatives of workforce development boards;
- Representatives of institutions of higher education;
- Minority and labor groups; and
- Private individuals.

Strategy Committees representing Indian Tribes or States may vary.

B. Technical Requirements

Pursuant to 13 C.F.R. § 303.7, a Planning Organization must include the following information in a CEDS submitted to EDA.--

1. Background: The CEDS must contain a background of the economic development situation of the region that paints a realistic picture of the current condition of the region. This background must include a discussion of the economy, population, geography, workforce development and use, transportation access, resources, environment, and other pertinent information.

2. Analysis of Economic Development Problems and Opportunities: The CEDS must include an in-depth analysis of the economic development problems and opportunities that identifies strengths and weaknesses in the regional makeup of human and economic assets, and problems and opportunities posed by external and internal forces affecting the regional economy. This analysis must:

- Incorporate relevant material from other government-sponsored or supported plans and demonstrate consistency with applicable State and local workforce investment strategies.
- Identify past, present, and projected future economic development investments in the region.
- Identify and analyze **economic clusters** within the region.

3. CEDS Goals and Objectives -- Defining Regional Expectations: The CEDS must contain a section setting forth goals and objectives necessary to solve the economic problems, or capitalize on the resources, of the region. Any strategic project, program, or activity identified in the CEDS should work to fulfill these goals and objectives.

- Goals are broad, primary regional expectations.
- Objectives are more specific than goals, clearly measurable, and stated in realistic terms considering what can be accomplished over the five (5) year time frame of the CEDS.

4. Community and Private Sector Participation: The CEDS must include a section discussing the relationship between the community in general and the private sector in the development and implementation of the CEDS. Public and private sector partnerships are critical to the implementation of the CEDS.

5. Strategic Projects, Programs and Activities: The CEDS must contain a section which identifies regional projects, programs and activities designed to implement the Goals and Objectives of the CEDS. This section should identify and describe:

Suggested Projects-

- All suggested projects, programs and activities and the projected number of jobs to be created as a result.
- Lead organizations responsibilities for execution of the projects.

Vital Projects- A prioritization of vital projects, programs, and activities that address the region's greatest needs or that will best enhance the region's competitiveness, including sources of funding for past and potential future investments. These can be overarching "themes" for regional economic development success and is expected to include components. Funding sources should not be limited to EDA programs.

6. CEDS Plan of Action: The plan of action, as described in the CEDS, implements the goals and objectives of the CEDS in a manner that-

- Promotes economic development and opportunity;
- Fosters effective transportation access;
- Enhances and protects the environment;
- Maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
- Promotes the use of technology in economic development, including access to high-speed telecommunications;
- Balances resources through sound management of physical development; and
- Obtains and utilizes adequate funds and other resources.

The CEDS must also contain a section that discusses the methodology for cooperating and integrating the CEDS with a State's economic development priorities.

7. Performance Measures: The CEDS must contain a section that lists the performance measures used to evaluate the Planning Organization's successful development and implementation of the CEDS, including but not limited to the:

- Number of jobs created after implementation of the CEDS;
- Number and types of investments undertaken in the region;
- Number of jobs retained in the region;
- Amount of private sector investment in the region after implementation of the CEDS; and
- Changes in the economic environment of the region.

These are not meant to be the only performance measures for the CEDS. Most Planning Organizations developing a CEDS will benefit from developing additional quantitative and qualitative measures that will allow them to evaluate progress toward achieving the goals identified as important in their regions.