

Proposed Energy & Mineral Impact Grant Program Enhancements

Frequent Asked Questions

1. Why are changes being made to the E&MI Grant Program?

Revenues flowing to the program have increased substantially. Feedback from a variety of sources, including our local government customers indicates there is an opportunity to adjust and modernize the program to better meet local community needs.

2. What are the proposed changes?

Modifications to the grant program include categorizing grants into small, medium, large, clarifying local match requirements and designating the amount of total dollars available through the program by grant size and use.

3. What are the sizes of the grants in the new categories?

Small Investment Grant awards up to \$200,000. Initially, twenty percent (20%) of the department's annual allotment of severance and federal mineral lease revenue will be directed to this particular grant program.

Medium Grant awards of \$200,000 to \$2,000,000. Initially, fifty percent (50%) of the department's annual allotment of severance and federal mineral lease revenue will be directed to this particular grant program.

Large Grant awards of \$2,000,000 to \$10,000,000. Initially, thirty percent (30%) of the department's annual allotment of severance and federal mineral lease revenue will be directed to this particular grant program.

4. What is the local government match requirement?

Applications for grant consideration will be expected to include a minimum match of 25%. Larger matching amounts are generally more competitive. This match can be in the form of cash, in-kind contributions, or other matching grant or loan funds, or any combination thereof. The department recognizes that some local governments are not capable of providing the 25% match. In such cases, match requirements can be relaxed, reduced, or waived, based upon local government conditions.

5. What type of requests will be eligible for investment grant awards?

By statute, eligible recipients are "political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels and used for planning, construction, and maintenance of public facilities and for the provisions of public services.

6. How are requests evaluated to make funding decisions?

The eight Regional Managers assist political subdivisions in their territory to develop and structure the grant request to compete in the evaluation selection process. Grant applications must meet the minimum established criteria. Grant requests that demonstrate community development projects that leverage dollars, solve regional community development problems and address impacts of energy activity will be more competitive and successful in the award process.

7. What is the total of grant dollars available?

Revenue to the fund varies according to levels of production, commodity, prices and other factors. DOLA's latest estimates are that Severance Taxes and Federal Mineral Lease Revenues could provide \$500 million to the fund over the next 5 years.

8. What is the total grant dollars available in the small medium and large categories?

Current estimates indicate that the following may be available in each fund:

Small Fund	\$20 million annually
Medium Fund	\$50 million annually
Large Fund	\$30 million annually

9. Is the distribution of funds equitable?

Yes. The Colorado statutes direct DOLA to facilitate the statewide distribution of grant dollars to mitigate the social and economic impacts meeting local needs as defined by community priorities. DOLA recognizes, however, that communities are impacted by other than the production of minerals and mineral fuels. The statute cites "processing" and "energy conversion" as well as "development" as activities creating community impacts. As a result DOLA looks at life cycle impacts that include historical impacts.

Virtually all of the state is impacted by mineral production activities because this non-renewable resource is a state asset. However, priority in funding will be given to jurisdictions of origin for grant awards for this non-renewable resource.

Proposed Energy & Mineral Impact Grant Program Parameters Feedback

Please submit your feedback by February 22, 2008 via fax 303-866-4819 or email to tony.hernandez@state.co.us

1. Does the categorization of the grant programs into small medium and large assist you in understanding the type and amount of funding that is possible for community development? Yes ___ No ___

Comments:

2. Do you support the size and use of small grants, up to \$200,000? Yes ___ No ___

Comments:

3. Do you support the size and use of the medium grant of \$200,000 to \$2,000,000? Yes ___ No ___

Comments:

4. Do you support the size and use of the large grant program of \$2,000,000 to \$10,000,000? Yes ___ No ___

Comments:

5. Do you support the minimum local match of 25%? Yes ___ No ___

Comments:

6. Do you support that the local match can be in the form of cash, in-kind contributions or other matching grant or loan funds or any combination? Yes ___ No ___

Comments:

7. Do you support the department's flexibility for those communities that are not able to provide a minimum 25% match to relax, reduce and or waive the match requirement based on local conditions? Yes ___ No ___

Comments:

8. For the small grants, do you support an expedited review process that does not require an in-person presentation by the grant applicant? Yes ___ No ___

Comments:

9. Do you support the total dollars available in each of the grant program categories in planning your grant request? Yes ___ No ___

Comments:

10. Please identify criteria that you believe the department should use to help decide which small grant applications should be funded.

11. Please identify the criteria that you believe the department should use to help decide which medium grant applications should be funded.

12. Please identify the criteria that you believe the department should use help decide which large grant applications should be funded.

Additional comments:

STATE OF COLORADO

**DEPARTMENT OF LOCAL AFFAIRS
Executive Director's Office**

1313 Sherman Street, Suite 500
Denver, Colorado 80203
Phone: (303) 866-4904
FAX: (303) 866-4317
TDD: (303) 866-5300



Bill Ritter, Jr.
Governor

Susan E. Kirkpatrick
Executive Director

February 4, 2008

Dianne Miller, Attorney at Law
Central Adams County Water & San. Dist.
700 17th Street, Suite 2200
Denver, CO 80202

Dear Ms. Miller:

The Colorado Department of Local Affairs (DOLA) has worked hand-in-hand with local governments to improve people's lives for more than forty years. Today I am writing to ask your help as we approach our future together. I would like your feedback on DOLA's proposed modifications to the Energy and Mineral Impact Grant Program parameters. I believe these changes will better meet the needs of local governments and streamline your efforts to receive funds to achieve valuable community development projects.

The department is proposing three administrative modifications to the grant program. First, we suggest categorizing grants into small, medium and large. Second, we hope to clarify local match requirements and third, we plan to designate the amount of the total dollars available through the program by grant size and use. Please review the attached proposed modifications and provide your feedback on the form enclosed.

Thank you for taking the time to assist the department as we try to enhance the Energy and Mineral Impact Grant Program parameters to better meet your community development needs. Please send me your feedback by February 22, 2008 via fax at 303-866-4819 or email to tony.hernandez@state.co.us.

Sincerely,

Susan Kirkpatrick

Cc: CCI / CML / DOLA Regional Managers

Enclosures