

Greened Acre Retrofit Program

July 21st, 2014



Introduction

- The history of **SMIP**
 - Started in 2012
 - \$5 mil budget
 - 40 approved projects to date
 - Grants support design/construction costs of STORMWATER RETROFIT projects
 - Developing properties are not eligible, usually
- **SMIP** spurred **GARP**
 - PWD realized that it could attract a wider audience
 - Facilitate cheaper projects
 - GARP went live July 1

Grants 101

- Joint program offered by PIDC and PWD
- PWD grants money to PIDC
- PIDC subgrants money to recipients
- SMIP is an agreement between the property owner and PIDC
- GARP is an agreement between 3rd party and PIDC
 - More on this later ...

Important Instruments

○ Subgrant Agreement

- Contract that authorizes payment for project
 - SMIP = property owner (usually)
 - GARP = 3rd party

○ O&M Agreement

- Required by ALL participating property owners

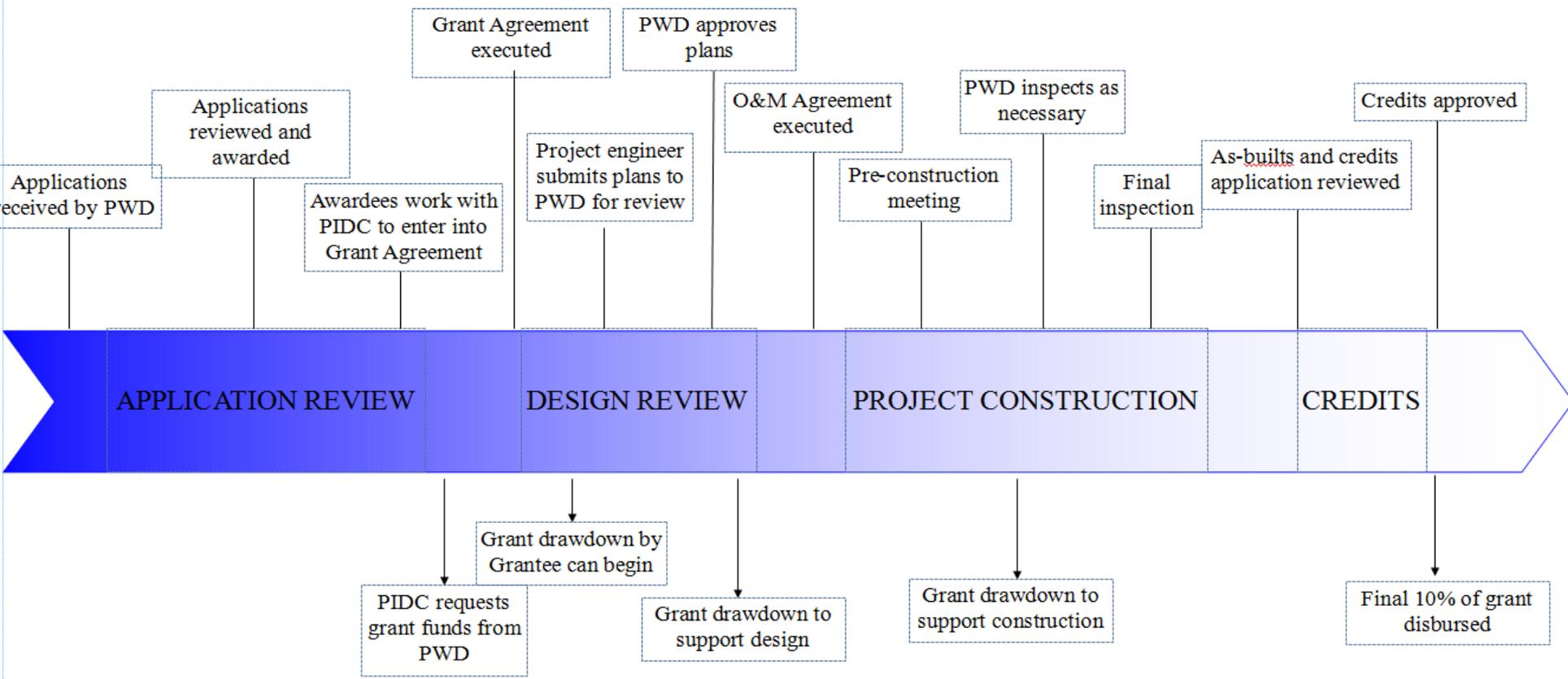
○ Economic Opportunity Plan

- Required by direct recipient of funds
 - SMIP = property owner
 - GARP= 3rd party

Project Mechanics

1. Grant application submitted and awarded
2. Recipient meets with PIDC, PWD and OEO to review subgrant prerequisites including EOP, funding schedule and insurance info
3. Subgrant executed, design work can begin
4. Stormwater plans submitted to PWD for review/approval process
5. O&M Agreement prepared and shared with property owners after engineering drawings approved
6. O&M Agreement must be signed to receive final payment and/or stormwater credits
7. Pre-construction meeting
8. PWD inspects throughout construction
9. Final walk through, as-builts prepared, reviewed and approved by PWD
10. Final grant payout, credits approved

SMIP APPROVAL PROCESS



CASH FLOW

Payment and Permitting

- Before the subgrant is executed, the project applicant and PWD agree to a milestones schedule
 - This dictates cash flow for the project
 - Payments can be issued as **reimbursements** or **dual party checks**. PIDC is flexible!
- **Good news**: Building permits are not required.
- **Bad news**: NPDES permits are still required if earth disturbance exceeds 1 acre.
- **Good news**: We have developed a good relationship with DEP so that post-construction stormwater requirements are waived.

How are SMIP and GARP different?

- SMIP is property owner initiated
 - Property owner is executor of all agreements
- GARP is 3rd party initiated
 - Engineering firm or project aggregator is executor of everything but the O&M Agreement
- Max funding is slightly less, but projects should be cheaper!

SMIP = \$100k/impervious acre	GARP = \$90k/impervious acre
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- GARP only for CSO
- GARP application must total 10 acres, looking for 1.5" management
- GARP applications are more refined ... more on this next

What is a successful GARP application?

- GARP combines engineering/construction quality with client management to maximize greened acres and benefit to PWD, while still providing benefit to the property owners via credits
- Engineering/construction quality and experience are nothing new here
- GARP's core element is project aggregation

PWD is looking at companies, non-profits and aggregators to “sell” stormwater management

- Subsidy + credits = little or no up-front cost to owner = \$\$\$\$
- You make the pitch (for us, thanks!)
- GARP allows 3rd parties to capitalize on their clients' potential savings opportunities; it's a matter of convincing

GARP applicants' responsibilities

- Must be able to design and build all stormwater projects associated with the application
 - Signed contracts or letters of intent are required with application
- Must either provide O&M services or work closely with a company that can
 - Signed contracts or letters of intent are required with application. Note: the O&M contractor/provider does not need to be the same as the applicant. We just want to make sure that it's planned for!

Suggestions!

- Use the model to sell projects
- Be up front with owners – make them review PWD's O&M Agreement in advance
 - If they can't sign, then move on or call me to help
- Use PWD as a resource
 - We are happy to meet with any of your potential clients and talk about grants
- We have \$10 mil available this year and hopefully each year going forward
- We want to be able to fund every quality project that submits an application!

What does a GARP project look like?

- BID
- Large shopping center with various owners
- Non-profit applying on behalf of multiple property owners that are somehow related (PEC example)
- Location doesn't matter. The sites don't have to be adjacent. You just need the owner's consent and willingness to manage stormwater.

What's new?

- SMIP and GARP applications can be submitted year round
- Decisions issued quarterly by PWD
- Budget increased to \$10 million
- Award expiration implemented
 - Recipients have 3 months to enter into subgrant agreement once notified
 - Recipients that are not timely will be reconsidered the next funding round

www.phila.gov/water/swgrant