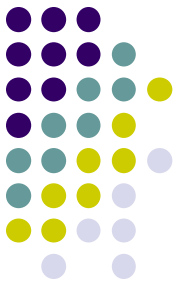


Capital Outlay

A Team Effort from Your
Community

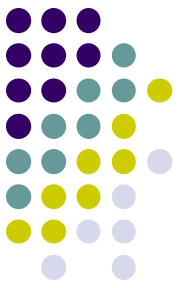


How do we ask for a Capital Outlay Project?



- All Capital Outlay Projects must be sponsored by your local Legislator
- Do you know who your local Representative and Senator is?
- Have you informed them of your project, the estimated or real cost in today's dollars?
- Who will benefit from the Project?
- When will you need the money?
- Will they or have they agreed to sponsor your request



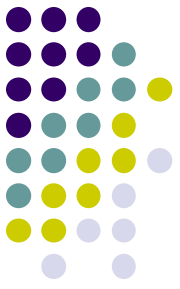


What else is necessary?

- Project must be on an Infrastructure Capital Improvement Plan (ICIP)
- Should talk with your local government leaders – more on this later
- Know what you want to do and be able to express or convey that in 25 words or less
- Where will operation & maintenance funds come from if needed



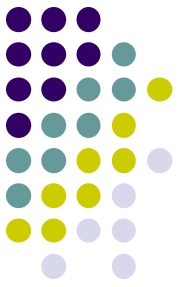
What can be funded with Capital Outlay monies?



- Rolling Stock – Vehicles, Fire and Emergency Vehicles, Service Vehicles, Heavy Equipment
- Equipment – Playground, Office, Health and Safety, Kitchen
- Emergency
- Construction – planning & design, ADA Compliance, new buildings for services, building additions, code compliance
- Purchase – Land, Buildings, Water Rights



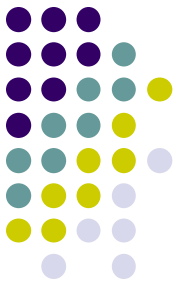
How soon does the money have to be used?



- Rolling Stock & Equipment Purchases should take place within a year
- Emergency funds should be expended within two years
- Construction or Land and Building Acquisition funds should be expended within four years



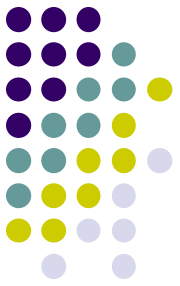
What happens if we don't spend the money that fast?



- The onus is really on you to spend the money in the time frame allotted by the State.
- It is possible your Legislative sponsor may work with you to obtain an extension through a re-authorization of the funds for a short period of time
- It is also possible the State may require the funds revert to the State for some other use



Why is it necessary to spend the money so quickly?



- Capital Outlay funds are essentially borrowed dollars
- The Governor and Legislature do not want to borrow money and pay interest on money that will not be used timely or wisely
- The Capital Outlay funds are a form of economic development for you community creating work, providing services and growing the tax base

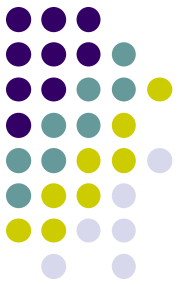


How are Capital Outlay Projects funded?



- The monies for Capital Outlay Projects come from the sale of bonds secured by either Severance Taxes or General Funds
- Severance Tax funds are derived from the taxes the State receives from Oil, Natural Gas and other extractive industries
- General Funds are derived from the many other taxes the State collects



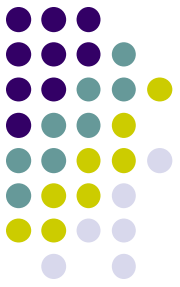


How do these bonds work?

- The bonds whether STB or GFB are normally sold as 10 year bonds (loans)
- That means the State must re-pay the bonds in 10 years from the fund used to secure the bonds
- **Your proposed project should have an anticipated useful life of at least 10 years and one day**



When is the money available to us?



- Unless your project is certified as an emergency (a threat to life, health or safety) the funds will not be available, at the very earliest, until the middle of August following the closure of the Session
- Bonds are normally sold in June and December
- Funding from the June bond sale is available in mid-August
- Funding from the December bond sale in mid-February of the following year.



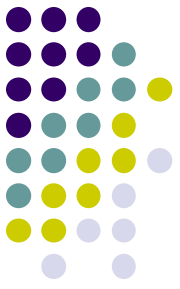
Can I apply for funding if I am not a local government?



- Yes, **but**
- You must agree that the building, land, vehicle, equipment or whatever your project is **will** belong to a local government and that you will most likely have to lease or rent it from them
- If you own your building already and use Capital Outlay money to renovate, improve, etc. You must deed the building, land, equipment, etc. over to a local government



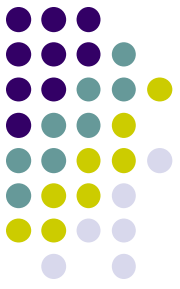
Will the money come to our organization?



- **NO—NO—NO**
- A local government entity must agree to serve as your fiscal agent
- They will sign a contract with the State for the funds and be responsible for completing the project, expending and accounting for the funds
- In the end, they will own the project and you will be allowed to use it under agreed terms and conditions
- This is why it is important you consult with your local government before preparing an application



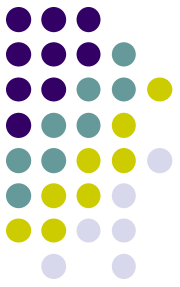
Do we have to provide matching funds?



- Although not necessary, it is helpful to show you are committed to the project and prepared to make an investment
- Usually the transfer of ownership of your building or land will make for a nice matching fund commitment
- You should be prepared to show your ability to provide for the operation and maintenance of the project over the long haul



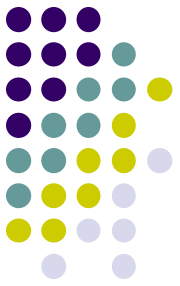
Is there a minimum amount of funding we can request?



- There is no hard and fast minimum request amount, but the rule of thumb is nothing less than \$25,000
- Capital Outlay grants smaller than that are not economically feasible when paperwork, personnel time and loan requirements are factored in to the cost of doing business
- There is also no real maximum dollar request amount



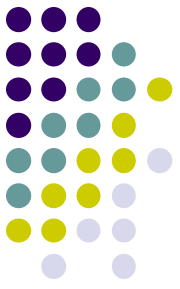
Are there State priorities that will be considered for funding?



- The State will make a real effort to fund projects that can be completed in a timely fashion
- The Governor has identified water and waste water projects as one of his priorities
- Each local government has already submitted a list of their top 5 priorities to the Governor as a part of their ICIP

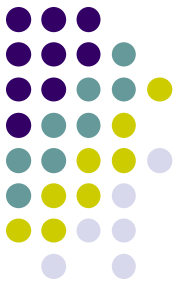


Knowing that, what are my chances?



- Start working with your Legislators **now**
- Last year, nearly \$880 million in projects were funded between STB and GFB monies
- Last year, nearly \$7.2 billion in projects was requested
- This year, Severance Tax and other revenues have been good however some Legislators are saying only about \$300 to \$400 million may be available for projects

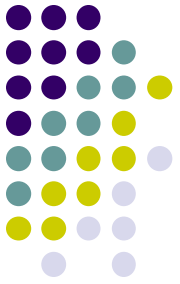




Shall we
look at the
application?



Capital Outlay Request Form



- **Legislative Sponsor:** _____
- **Sponsor's Signature:** _____
- Contact Name: _____ Phone Number: _____
- Email: _____
- 1. What is the **amount** you are requesting for project? _____
- 2. Brief **project description** (please include action words, such as “to plan and design” or “to design and construct” as well as what the project is, such as “a multipurpose center”. Do not include justification for the project, only specifics on what is requested for the project):

- 3. Enter the **city, town, village, chapter or pueblo** in which this project will be located. (If the project is not located in one of these, please leave blank.)

- 4. Enter the **county** in which the project will be located: _____
- 5. **What entity is requesting funding** for this project?
Municipality: _____ County: _____
School District: _____ Indian Govt: _____
Higher Ed. Inst: _____ Other: _____
Water Association or District: _____
(only political subdivisions of the state are eligible for funding)
- 6. **What entity will own the project** upon completion?



Capital Outlay Request Form

continued

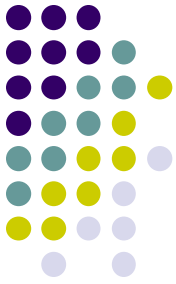


- The following questions are designed to aid legislators in prioritizing projects for funding.
- **7. Criteria Questionnaire**
- If you answer “Yes” to any of the following questions, please attach supporting documentation.
- Need-Based Criteria
- Is project on governmental entity’s ICIP? Yes No
- Is project necessary to eliminate potential or actual health or safety hazards or other liability issues? Yes No
- Is project required by federal, state or judicial mandate? Yes No
- Will project prevent deterioration of asset or correct infrastructure problems of asset? Yes No
- Is project necessary to address population or client growth, and if so, will it provide direct services to that population or clientele? Yes No



Capital Outlay Request Form

continued



- 8. Is this a **nonprofit entity, economic development or non-ICIP** project?
(See additional requirements on page 1 of this form.)
If you answer “Yes”, please attach supporting documentation.
- 9. What is the **total estimated cost** of the project? (Please use the most accurate estimate to date, and indicate what portion of the project has been completed.)
 - Planning: _____
 - Design: _____
 - Construction: _____
 - Other (please specify): _____
 - Total: _____
- 10. What is the **amount** needed to complete the project? (if different than #9)

- 11. Has the **land** for the project been acquired? Yes No
 - What entity will be or is the owner of the land?

