

SET FOR STIMULUS:

A Guide to Creating Shovel-Ready Projects That Bring Cash to Your Community

STIMULUS CHECKS MAY BE COMING.

So far, 2020 has been one for the books — but we're not done yet. The combination of a worldwide pandemic and a historic economic downturn has spurred the federal government into action, leading to billions of dollars in cash for states. These crises have hit precisely when the United States is dealing with a crumbling infrastructure that is in dire need of maintenance, repair, and replacement.

Could the pandemic and its economic fallout lead to infrastructure investment?



WE THINK SO, AND HERE'S WHY.

WE'VE BEEN HERE BEFORE

Both federal and state governments invest in infrastructure projects to stimulate the economy. The last time this happened was in 2009, when the economic crash of 2008 led to the passing of the American Recovery and Reinvestment Act.

PREPARATION IS POWER

In 2009, “shovel-ready” was a call to action — and we’re hearing this term pop up in the industry once again. During the Great Recession, shovel-ready projects were given priority consideration — and for good reason. When communities do the work to show that they have identified a project and know exactly what it will take to accomplish it, it shows a willingness to put the money to good use and see quick results.

For nearly 30 years, Keller Associates has helped cities and agencies find funding for their projects. Our founder, Jim Keller, had a unique gift for sourcing funds, and he built a legacy of nimble thinking and action that we live by today. All of us, from project managers to engineers to surveyors to field representatives, and office personnel have been trained to be quick and resourceful thinkers.

We know that helping our clients obtain outside funding is key to getting things done. This guide is designed to help you take the first steps toward creating a shovel-ready project that will bring much-needed cash to your community.

STEP 1

ASSESS YOUR OPTIONS

Let's face it: Right now, most municipalities are scrambling to make their budgets work. That means that every dollar needs to work double, including those you might receive from the federal government.

It's time to spend smarter, not harder.

REALIZE THAT DOING NOTHING IS NOT AN OPTION.

Whether you operate a small wastewater system or maintain hundreds of miles of roads, there are undoubtedly financial shortfalls in your infrastructure. The American Society of Civil Engineers' gives the nation's current infrastructure a D+ rating. In Oregon, Washington, Nevada, and Idaho alone, the numbers are enough to give anyone pause*:

- ▶ 693 high-hazard dams
- ▶ \$21.01 trillion needed to improve drinking water over the next 20 years
- ▶ \$266.03 million in unmet needs for states' parks systems
- ▶ Hundreds of dollars per motorist per year due to driving on roads in need of repair
(Idaho: \$427, Washington: \$643, Oregon: \$268, Nevada: \$536)

*Numbers from the
ASCE 2017 Infrastructure
Report Card.

“ Doing nothing is no
way to get ready.

— Keller Associates President Rod Linja

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INVEST, DON'T SLASH.

It can be tempting to cut costs to get to a better bottom line, but studies tell us that's the wrong approach. The American Public Transportation Association estimates that the United States will have lost \$340 billion in business sales from 2017-2023 due to crumbling infrastructure. Investment now pays off in the future — not just in the infrastructure itself, but in public trust and confidence in local government. Putting off improvements, whether maintenance or replacement, pushes the crisis point forward to a time when necessary changes will cost more and be a bigger burden on your constituents.

IDENTIFY YOUR PRIORITY PROJECTS.

Ask yourself: If you had an extra-large amount of cash on hand right now, which project or projects would you fund first? Which areas of your municipality's infrastructure are most at risk? What would make the biggest difference in the long-term health of your community?

LESSONS FROM 2008

Shortly after the start of the Great Recession, we saw a large — and quick — increase in the cost of construction, followed by a massive decrease. Although construction costs are relatively high now, we anticipate a reduction in the near future. Be ready to act! Lower construction costs mean you can stretch every dollar.

STEP 2

IDENTIFY YOUR PROJECT

If you already have a capital improvements plan in place that identifies priority projects, you're a step ahead of the game. But what if your community is smaller and doesn't have that structure in place?

HERE ARE A FEW QUESTIONS TO HELP YOU NARROW YOUR OPTIONS.

- ▶ Which of your projects are partially complete?
- ▶ Which are stalled in the planning process?
- ▶ What would be your most popular project?
- ▶ What would be your most feasible project?
- ▶ Which projects would be Band-Aid fixes?
- ▶ Which smaller projects could be done perfectly?
- ▶ Which projects need to be updated to meet new or anticipated federal regulations?
- ▶ In 10 years, which projects will you most regret delaying?

Whether it be replacement of assets that have met the end of their useful life, improvements that are needed to meet new and anticipated regulations, or upgrades to meet growth demands, Keller Associates can develop cost estimates and help you best prioritize where to spend.



SUCCESS STORY:

LAVA HOT SPRINGS, IDAHO

In 2008, the City of Lava Hot Springs began improvements to its wastewater treatment system, including a new winter storage lagoon and land application site. Keller Associates worked with the local Council of Governments agency to identify and apply to several funding sources. The City received \$3.75 million of the \$4.4 million cost of the project through grant funding because they were shovel ready at the right time.

The project was funded by an Idaho Department of Environmental Quality loan, stimulus money from the American Recovery and Reinvestment Act (ARRA), a \$1 million U.S. Department of Agriculture Rural Development grant, a \$500,000 Department of Commerce grant, a \$500,000 U.S. Army Corps of Engineers grant, and a special \$250,000 appropriation grant from the Environmental Protection Agency.

The City received multiple stimulus funding packages through the ARRA program, which had a shovel-ready deadline of Jan. 1, 2009. We were able to mine our network of close relationships with funding agencies on behalf of the City. Our efforts meant that the funding agencies contacted Lava Hot Springs directly to identify projects that could be shovel-ready by the deadline.

To meet the tight deadline, Keller Associates' design team worked many extra hours through the Christmas holiday to finalize the design package. The deadlines were met, and the City received the much-needed grant funds.

After several phases of construction on the wastewater system, Lava Hot Springs secured funding for the water system projects. IDEQ funded the entirety of the \$4.4 million project through a loan with \$1.5 million in principal forgiveness.

START WORKING WITH AGENCIES NOW

Now is the time to share your up-to-date project status list with local, state, and federal funding agencies. Not only are agencies a good resource, but they'll be aware of your municipality's needs when stimulus money comes in.

STEP 3

SHOW YOU'RE READY WITH A CONCEPT

We can't overstate this enough: When stimulus funds become available, the projects most advanced in the design process will be considered ahead of those that lag in the design process. Shovel-ready projects will be considered first.

But what does shovel-ready actually mean?

Most projects require some sort of planning effort to identify what you'll need to address the issues at hand. This planning effort includes documenting existing challenges and conditions as well as developing alternatives, cost estimates, schedules, and environmental impacts. Funding agencies often want to know that the project ranks high on your priority list, and you'll be able to show that by putting a lot of effort into the front end of the planning process.

Let's take a look at the typical project process. The more Xs you can tick in this checklist, the more ready you will be when stimulus funding arrives.

Facilities planning study or engineering report

Does your report/study have the following?

- Alternatives
- Probable costs
- Schedules

Completed design(s)

If no, when will you have the completed

- 1 month or less
- 1-3 months
- 3-6 months
- 6-9 months
- 1 year

Regulatory agency approval

If no, when do you expect approval?

- 1 month or less
- 1-3 months
- 3-6 months
- 6-9 months
- 1 year

Environmental clearances

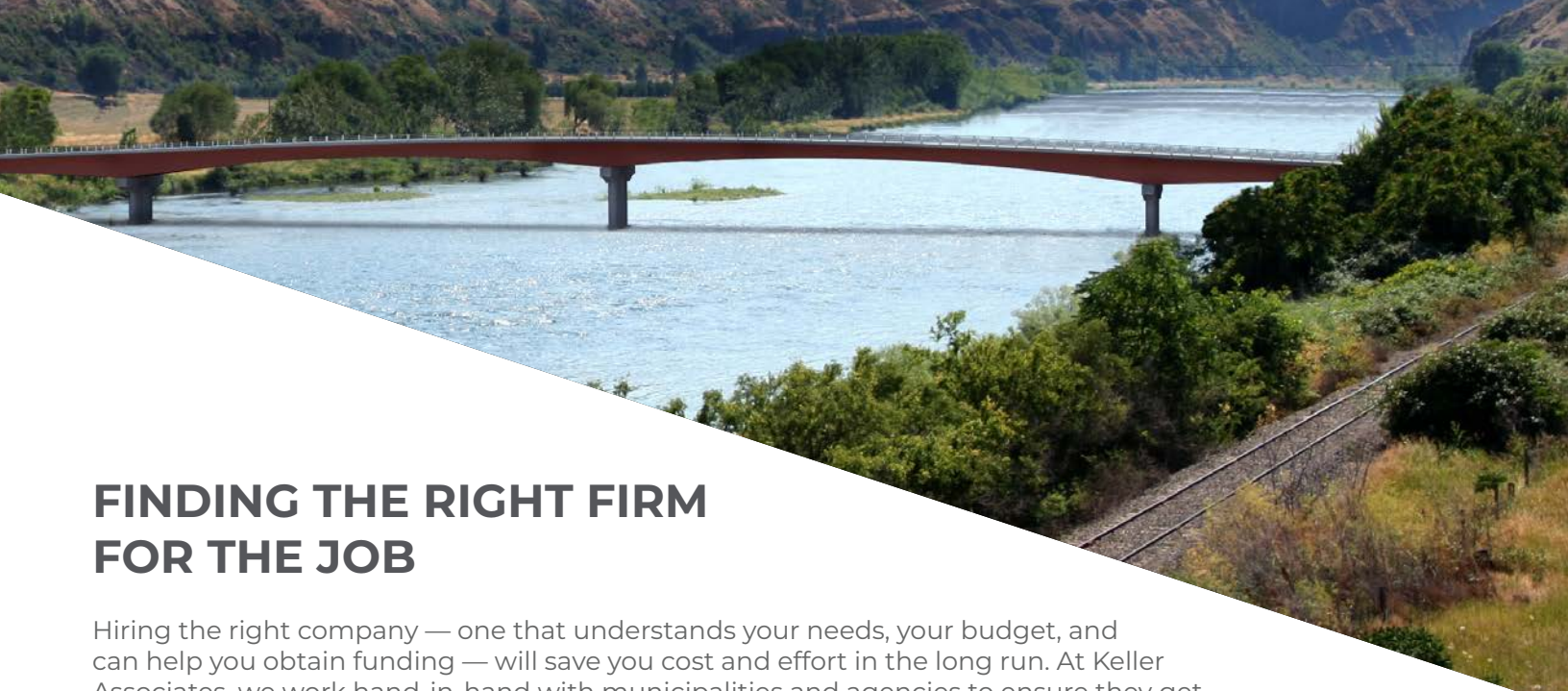
Funding

- Grants
- Loans
- Local matches

Engineering design

Bidding

Construction



FINDING THE RIGHT FIRM FOR THE JOB

Hiring the right company — one that understands your needs, your budget, and can help you obtain funding — will save you cost and effort in the long run. At Keller Associates, we work hand-in-hand with municipalities and agencies to ensure they get what they really need, not what will make us the most money. Look for a firm that invests in your long-term relationship that you can call on time and time again.

At Keller Associates, we're there to do whatever needs to be done for our clients — whether that be rolling up our sleeves to help cities place reuse irrigation pipe, hauling sludge out of a full digester at a wastewater treatment plant, or going the extra mile to help our clients obtain funding. It's important that you look for a firm with integrity that has a stellar track record of timeliness, communication, ingenuity, resourcefulness, relationships with funding and regulatory agencies, and understanding.

SUCCESS STORY:

CHERRYLANE BRIDGE

Cherrylane Bridge, which spans the Clearwater River in Northern Idaho, was one of the many bridges throughout the state in need of repair — in this case, because Cherrylane was fracture-critical.

When Nez Perce County and the Nez Perce Tribe wanted to build an updated structure that met current design standards and the needs of the community, they called us for help.

We helped Nez Perce County secure nearly \$16 million through the BUILD grant program, one of the largest grants of this type in the nation.

The project is currently in the final design stage. Our design tasks include roadway improvements to US-12, Cherrylane Road, and a railroad crossing on the north side of the river. We also secured the hydraulics structure survey and the local floodplain development permit. Our modeling of the Clearwater addressed the 100-year flow of 130,000 cfs, and we also completed hydraulic and scour analysis.

The updated two-lane bridge will have shoulder bikeways on each side for cyclists and pedestrians, additional turn lanes, and a relocated intersection with US-12.

Engineering is a fraction of the overall cost of a project, but you'll save more than your investment in an engineering firm through proper practices and solid decision making.

STEP 4

PRE-GAME YOUR PROJECT

Now that you've identified the best prospects for your next project, it's time to turn to your stakeholders. The public — along with a host of agencies — can make or break your project. To move forward, you'll need to address the issues that might hold up your progress.

STICKER SHOCK.

Infrastructure is definitely not inexpensive, but it is built to last. One of the biggest hurdles we see when planning a project is the inability to explain why a project costs as much as it does. Here are a few common tactics to help you change minds:

Examine the cost of doing nothing. What are the economic consequences of not doing anything? Will there be regulatory penalties or consequences? Will growth be impeded? Will safety be compromised?

Break it down. How much will the project cost per resident per year? Often, it's much less than one might think.

Undiscovered benefits. What benefits may be realized by making improvements to your infrastructure? Will businesses be more likely to expand or move to your area? Will the community find new identity with a pathway or river walk?

Get your fair share. When stimulus money is involved, local residents are often more likely to get on board with projects — who doesn't want to see their community get its fair share? This is your chance to explain why a timely investment will pay off.

Talk it out. Public meetings are an integral part of the process, and the earlier you can bring the public in, the better. Not only will you get valuable feedback, but you'll be able to make your case in person. Informed consent is a powerful tool when large projects are on the table.



STEP 5

GO FOR THE WIN

Once you have decided on your project and are moving forward, continue to the finish line.

- ▶ Work with your engineer to complete the design process
- ▶ Secure appropriate approvals from regulatory agencies
- ▶ Nail down funding opportunities
- ▶ Identify and plan for local match requirements
- ▶ Make sure the public is aware and supportive of your projects

BEING NIMBLE IS A SUPERPOWER

At Keller Associates, we talk a lot about being nimble — in fact, it's one of our core values. Being nimble means that we're flexible, able to anticipate problems, and quick to react when setbacks do occur. Nimbleness is a skill that will help you throughout this process, too. Although we've laid out what typically happens when seeking stimulus money, you should plan for the unexpected. Hiring an engineering firm with a can-do attitude is one way to make sure that you get the stimulus money you need and that your project is completed as you envisioned.

WE'RE HERE TO HELP

Although none of us wanted the pandemic, the response to the economic fallout may yet provide an opportunity to communities across the United States. We're here to help you make the most of it.

We not only work in the West; we live here, too. We understand local governments and the difference federal dollars can play in our quality of life. And, even more importantly, we've been here before — our experience during the Great Recession was an invaluable lesson in the importance of taking advantage of opportunities and moving quickly to secure millions upon millions in funding.

WE WANT YOU TO BE READY WHEN THOSE DOLLARS COME IN. CONTACT US AT

[KellerAssociates.com](https://www.kellerassociates.com) or at **(800) 424-6860** to get started.

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