



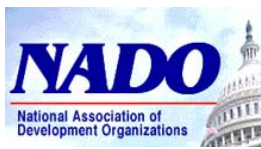
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Volume I, Issue II November 30, 2005

**Inside this issue:**

## Commerce Spending Bill set for President's Signature



On November 16, the Senate approved the conference report to the fiscal 2006 Commerce-Justice-Science Appropriations bill (HR 2862). The House adopted the report a week earlier on November 9. The President is expected to sign the bill by the end of November\*.

The measure contains \$57.9 billion in discretionary spending, \$1.6 billion over current spending. The President's proposed Strengthening America's Communities Initiative (SACI) is not included in the measure.

The bill provides level funding of

\$284 million for the Economic Development Administration (EDA). This includes \$160.3 million for public works, \$27 million for planning, \$13 million for trade adjustment, \$44.7 million for economic adjustment, \$8.33 million for technical assistance and \$488,000 for research. The measure also provides \$30 million for salaries and expenses. The final bill does not provide \$200 million in emergency funding, as provided in the Senate version, for EDA economic recovery efforts associated with Hurricanes Katrina and Rita.

The conference report contains language negotiated by House and Senate committee leaders, Commerce Department officials and NADO reforming the interim final rules promulgated by EDA in August. For specific details on the compromise package on the EDA rules, visit

[www.nado.org/legaffair/eda.html#praise](http://www.nado.org/legaffair/eda.html#praise).

No subsidy funding is provided for the Small Business Administration's (SBA) 7(a) program. The program will maintain \$16 billion in loan financing authority, however it will remain unsubsidized and rely on borrower and lender fees. The measure supports a program level of \$3 billion for Small Business Investment Company debentures. In addition, \$12 million is provided for microloan technical assistance, \$2 million for PRIME technical assistance and \$89 million for Small Business Development Centers.

\*At press time, the President had signed the spending bill.

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PHOTOS!

Your questions and comments are welcome!

Please contact Leah Lowe at TCCWMD.

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The Development District Digest is a bimonthly publication. To be featured in the next issue, articles must be submitted to Leah Lowe ten days prior to publication, which occurs the last day of the month.

## First Responder Provisions Dropped from Patriot Act

After failing to reach a workable compromise, House and Senate conferees working to extend expiring provisions of the 2001 Patriot Act (PL107-56) dropped language in the House version of the reauthorization bill (HR 3199) that would have altered the formula for distributing homeland security grants to police, firefighters and other first-responders.

The provisions would have revised the first responder grant distribution formula to provide

each state with 0.25 percent of the overall grant pool and the remainder distributed according to risk. The House proposal included NADO-endorsed provisions allowing regions to apply directly to DHS and encourage states to include regional development organizations in the crafting of their three-year homeland security plans. Senate conferees supported an alternate proposal that would guarantee each state at least 0.55 percent of the total, with more

populous states receiving up to 3 percent on a sliding scale. The Patriot Act authorized the current 0.75 percent minimum for each state with the remainder allocated based on population. This is the third time in the past year that first responder grant reform language has been stripped from a larger piece of legislation because House and Senate leaders were unable to agree on a funding formula.

## Regional Education

Real estate tax incentives for historic preservation and rehabilitation will be examined Saturday, Dec. 10, in a continuing education course for homeowners, investors and real estate professionals that is being offered a second time this fall due to popular demand.

Historic Preservation Tax Incentives, an Allegany College of Maryland CE course offered in coordination with the Tri-County Council of Western Maryland and the Cumberland Historic Preservation Commission, meets from

10 a.m. to 2:30 p.m. at the Cumberland Country Club.

It provides an overview of local, state and federal tax incentives for historic preservation rehabilitation of real estate. These incentives can provide substantial benefits to the property owner, especially when combined with other available resources.

The session is open to everyone, but owners of historic properties in areas with current or pending historic designation, such as Green and Decatur streets, Ca-

nal Place, the Rolling Mill area and the Chapel Hill section of South Cumberland, may find it of particular interest.

The instructors are Michael Day, deputy state historic preservation officer and chief of the Maryland Historic Trust's Office of Preservation Services, and Kathy McKenney, historic planner and preservation coordinator with the city of Cumberland's Department of Community Development.

This 4½-hour session, which includes a light lunch, is a continuing education opportunity for

license renewal of real estate professionals. It has been approved by the Maryland Real Estate Commission for three hours of Category "F" credit.

The deadline to register is Dec. 2. To do so, call 301-784-5431. For more information about the course, call the ACM Center for Continuing Education, whose Institute for Professional Development and Extended Learning is offering it, at 301-784-5338. Information is also available on the college Web site, [www.allegany.edu](http://www.allegany.edu).

## Tri-County Council's Video Library

Federal and State Agencies regularly call on the Council to set up regional telecasts on a variety of subjects. Through our partnerships with Garrett College, Allegany College of Maryland, and the Technical Innovation Center at Hagerstown Community College, we are able to facilitate these workshops for the tri-county region. Each downlink is recorded to video tape and added to our library.

Organizations may borrow these videos for their own in-office viewing. Each video may be checked out for a period of two weeks. To do so, please contact Patti Henry at 301-777-2158 or [pjhenry@tccwmd.org](mailto:pjhenry@tccwmd.org). The following list contains the names and recording dates of all tapes in our library.

- Report of Strengthening America's Communities Advisory Committee—9/26/05
- Building a 21st Century World Class Workforce—7/27/05
- Fundraising for Public Organizations—9/27/05
- Financial Management Seminars: Learning Indirect Costs Ratios and In-Kind Reporting Requirements
- Financial Management Issues—12/15/98
- Board of Education: Rural Economic Development Strategies—6/4/03
- Investing in American Communities: Changes Ahead
- Grant Seeking for Resource Development—11/5/04
- ARC/DDAA Grant Writing: Grant Seeking Made More Effective—6/10/99
- DDAA Financial Seminar—9/13/04
- Communities in Transition—4/26/05
- Brownfields: Market Based Solutions for Rehab—3/5/03
- Ideas that Work! Teleconference—10/13/99
- The Marriage of Innovation and Entrepreneurship: A New Model for High Growth Economic Development—11/18/05
- Grow Your Community Investment with Regional Economic Clusters—11/7/02
- ARC Teleconference Grant Writing Workshop Part 1 & 2
- ARC Teleconference Grant Writing Workshop Part 3 & 4
- A Telecast on New Directions and Opportunities in Rural Economic Development—5/4/04

## ARC and Delta Regional Authority Funding Finalized in Energy-Water Spending Bill

On November 7, conferees to the fiscal 2006 Energy and Water Development Appropriations bill (HR 2419) completed negotiations to the bill's conference report. The final measure provides \$30.5 billion in funding, \$749 million over current fund-

ing. The measure awaits final passage by the House and Senate.

The Appalachian Regional Commission (ARC) receives level funding of \$65.5 million, an increase of \$27 million over the House-passed measure. Of this

amount, \$7.85 million is set aside to fund seven specific Corps of Engineers projects in the Appalachia region.

## ARC/EDA Projects to Proceed with Application Process

Based on the FY 2006 ARC/EDA Annual Investment Package, the Council has notified qualified projects to proceed with applications at this time. While the amount of funding that will be available to the state of Maryland is still uncertain, projects have been invited based upon and assumption that a funding level similar to past years will be available. As always, the final project review, approval and funding is done on the federal level at the Appalachian Regional Commission.

The following projects have been asked to prepare applications for approval:

- New Southern Garrett Industrial Park – Due to the lack of available space at the current Southern Garrett Industrial Park, Garrett County is seeking to acquire property in the southern portion of the

County to develop a new industrial park. The project will also allow for the design and completion of basic infrastructure to serve several sites.

- Frostburg State University Multimedia Graphics Lab – Frostburg State's Department of Visual Arts would like to add state-of-the-art equipment to create a multi media graphics lab in order to provide students with an expanded curriculum including digital typography, animation, website development, and video and sound production for Internet and multi-media applications.
- Compressed Video for Distance Learning – Allegany College plans to upgrade the current distance learning equipment to modern, more efficient technology. Current

usage of the system requires more bandwidth than the system is currently meant to handle. The new system will use video over internet protocol. Quality and availability of the system should be greatly enhanced.

- Meadow Mountain Trail – Garrett County will contract to design and build the first phase of Meadow Mountain Trail starting near Cherry Creek cove at Deep Creek Lake.
- Rolling Mill Access Improvements – The City of Cumberland proposes to continue critical improvements for vehicular access to the Rolling Mill commercial area, focusing on continued improvements to Maryland Avenue and intersecting access streets.

## USDA – Rural Development Disbursement Rules Change

As noted in the October 12, 2005 issue of the Federal Register, the following agencies are revising their disbursement of funds regulations: Rural Housing Services, Rural Business Service, Rural Utilities Service, and Farm Service Agency. This action is necessary since existing regulations do not accurately reflect the current

disbursement methodologies employed by the Agencies. The intended effect is to simplify and update the regulations; to eliminate reference to the obsolete Loan Disbursement System; clarify Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) insurance cover-

age; and eliminate reference to the now defunct Federal Savings and Loan Insurance Corporation (FSLIC). These amended regulations are to ensure the Agencies' field offices have current guidance on the disbursement methods available and supervised bank accounts.

## Useful Economic Development Acronyms

ABC@FSU  
Allegany Business Center at  
Frostburg State University

ACM  
Allegany College of Maryland

AFG  
Assistance to Firefighters Grant

AHEC  
Area Health Education Center

AHT  
Allegheny Highlands Trail

ASCI  
Adventure Sports Center International

BEA  
Bureau of Economic Analysis

BLS  
Bureau of Labor Statistics

BOE  
Board of Education

BTAC  
Business Technical Assistance Coordinator

CAD  
Computer Aided Design

CBD  
Commerce Business Daily

CBD  
Central Business District

CCD  
Census County Division

CDBG  
Community Development Block Grant

CDFI  
Community Development Financial Institutions

CDP  
Census Designated Place

CEDS  
Comprehensive Economic Development Strategy

## **Settlement Reached on EDA Interim Final Rules, Local Government Control and Oversight Preserved**

On November 4, House and Senate conferees reached final agreement on a package that resolves differences between the two chambers' Commerce appropriations bill (HR 862). Included in the measure are provisions that make modifications to the interim final rule released by the Economic Development Administration (EDA) on August 11.

The modifications and reforms were negotiated by House and Senate appropriators and authorizers, the National Association of Development Organizations (NADO) – in close collaboration and support with the nationwide network of economic development districts – and the Department of Commerce.

The revisions, which will be included in the agency's final rule expected later this month, make significant changes to sections of the interim final rule that replaced local official control and representation of economic development districts with unnamed private sector representatives; eliminated functions and operations of economic development districts; and lowered federal match rates for the agency's planning and project investments.

The revisions come as a result

of a nationwide effort in which local communities and economic development districts filed hundreds of official comments in opposition to the rule changes proposed by EDA. In addition, dozens of Members of Congress also registered their dissatisfaction over these changes envisioned by EDA that were outside the scope of the agency's reauthorization bill adopted last year, which directed that the operations and functions of the planning program and economic development were to remain consistent with existing and ongoing policies and practices.

As outlined in the conference report for the fiscal year 2006 Commerce appropriations bill, EDA will:

- Modify the governing bodies of Economic Development Districts to increase the participation of private sector officials. The governing bodies will include at least a simple majority representation of local government officials and their designees, with no less than 35% membership of private sector officials. The definition of "Private Sector Representatives" will be expanded in the final rule to include designees of any senior management official or executive

holding a key decision-making position in any for-profit enterprise. Representatives of post-secondary education, workforce development groups, labor groups and chambers of commerce must be included on the board as part of the private sector constituency.

- Reform the process for determining the federal-local match rate for Economic Development District planning grants. All planning investments will be a minimum cost share of 50-50%. However, the federal investment rate will be increased to the maximum rate allowed under the EDA distress rate chart for the most economically distressed county or other equivalent political unit within the region. For example, if a county within the region is eligible for a 70-30% project investment rate, then the cost share for the planning grant would be increased to 70-30%. The federal share is capped at 80% under the compromise package.
- Clarify the section outlining the operations and functions of Economic Development Districts. The final rule will recognize that districts are allowed to engage in the "full

range of economic development activities necessary to develop, maintain, revise and implement its EDA-approved CEDS (Comprehensive Economic Development Strategy)." These activities may include research, planning, coordination, advisory and other functions related to crafting and implementing comprehensive development plans. The final rule will also clarify the process for terminating an EDD's designation.

- Revises the eligibility chart that determines the maximum allowable EDA investment rate in projects. The final rule will set the cap at 50% for projects located in an area demonstrating a 24-month unemployment rate at least one percent greater than the national average or per capita income no greater than 80% of the national average. Under the interim rule, the maximum rate was lowered to 30% federal share. The rule will also clarify language for performance awards.

## **Revolving Loan Fund**

### **RLF Details**

The Tri-County Council Revolving Loan Fund has had an active year. The RLF Committee has approved five loans totaling \$656,000 since October 2004. This money leverages over \$1.6 million in private funds invested and helps create or retain over 65 full-time jobs.

Currently the RLF has over \$1.2 million available to lend in six different loan funds. This includes over \$560,000 in the Rural Enterprise Loan Fund, formerly known as the Mountain Maryland

Entrepreneurial Development Center's Rural West Fund .

Anyone interested in learning more about Tri-County Council's financing programs should contact Krisinda Heavener at 301-777-2158 or by email at [kheavener@tccwmd.org](mailto:kheavener@tccwmd.org).



## Featured Project—vonGunten Music House

The vonGunten Music House, located on Cumberland's historic Baltimore Street, is a project designed to increase tourism and the arts and residential space in Western Maryland. Housed at 37-45 Baltimore Street, the music house will provide performance space, meeting and conference space, residential space, and business space in downtown Cumberland. Dave Kauffman, of Kauffman Music, located on the first floor, is the project manager. The building, owned by Midson, LLC, was previously known as the E.V. Coyle building. The name

vonGunten comes from Jennifer Kauffman's grandparents. Construction includes the stabilization of the building, and renovation of all three floors. The first floor will house Kauffman Music, an established business offering a wide variety of musical instruments, lessons, and music education materials, as well as the Cumberland Music Academy. The second floor will hold Windsor Hall, a performance space for Western Maryland's ever-growing arts community, meeting and conference space for businesses and nonprofits, and a gathering space for weddings, reunions, and office parties.

The third floor is being renovated to provide four apartment spaces.

Extensive grant writing and project management have created a successful project. A prime example of a well-planned grants package and dedicated private investment, the project receives funding from the Appalachian Regional Commission, the Maryland Department of Housing and Community Development, Preservation Maryland, Community Legacy, and private investors.

## Grants and Regional Projects

### ON THE WEB

Federal Register  
<http://www.gpoaccess.gov/fr/index.html>

Catalog for Federal Domestic Assistance  
<http://www.cfda.gov>

Appalachian Regional Commission  
<http://www.arc.gov>

Economic Development Administration  
<http://www.eda.gov>

Department of Agriculture—Rural Development  
<http://www.rurdev.usda.gov/rd>

MD Department of Planning  
<http://www.mdp.state.md.us>

MD Department of Business & Economic Development  
<http://www.choosemaryland.org>

MD Department of Housing & Community Development  
<http://www.dhcd.state.md.us>

Garrett County Government  
<http://www.co.garrett.md.us>

Allegany County Government  
<http://gov.allconet.org>

Washington County Government  
<http://www.washco-md.net>

Tri-County Council for Western Maryland  
<http://www.tccwmd.org>

## PACE Reception Scheduled

The theme for the 2006 PACE Reception will be Tourism – Commerce – Partnerships: Positive Attitudes Change Everything. Tickets can be obtained by contacting Cindy Young at 301 777-5967 or by email at [cyoung@allconet.org](mailto:cyoung@allconet.org). Tickets this year are \$100 per person prior to December 30, 2005 and \$115 after that. Ticket prices include both the reception as well as the breakfast. Dates are as follows

Reception: Thursday, January 26, 2006  
 6:00 p.m. – 8:30 p.m.  
 Loews Annapolis Hotel

Breakfast: Friday, January 27, 2006  
 8:00 a.m. – 9:30 a.m.  
 Loews Annapolis Hotel

Contact information for hotel rooms are as follows:

Loews Annapolis Hotel  
 126 West Street  
 Annapolis, Maryland 21401  
 410-263-7777  
[www.loewsannapolis.com](http://www.loewsannapolis.com)

Rate: \$115.00 per night

O'Callaghan Hotel Annapolis  
 174 West Street  
 Annapolis, Maryland 21401  
 866-782-9624  
[www.o'callaghanhotels-us.com](http://www.o'callaghanhotels-us.com)

Rate: \$115.00 per night

## Featured Website— New Feature on ARC's Website—www.arc.gov

The Appalachian Regional Commission website now includes a list of projects funded throughout the fiscal year. The list will be updated

quarterly and will provide ARC stakeholders as well as the public better access to information about ARC funding activities. The list can be ac-

cessed by going to "Grants and Contracts" on the home page of [www.arc.gov](http://www.arc.gov).

## Rural Maryland Summit 2005

The Rural Maryland Summit, held October 27-28, 2005 at the Wisp Hotel and Conference Center in McHenry, Maryland was attended by hundreds of people from all over the state of Maryland. In addition to their regular meetings, many guest speakers presented on topics facing Rural Maryland. Topics included: Introduction to the New Medicare Prescription Drug Program, Rural Family Strengthening Organizations Meeting, Results Achieved through the Healthcare Workforce Development Initiative, Challenges and Solutions for Rural Transportation Mobility, An Update on Rural Wastewater Infrastructure, Funding and Management, Educational Strategies Addressing Health Workforce Challenges, Recruitment and Retention: How Area Health Education Centers Are Responding to Health Workforce Challenges, and Innovations in Agricultural Entrepreneurial Development

On Thursday evening, Tri-County Council co-sponsored a Little Taste of Mountain Maryland, featuring local eateries from Western Maryland. Each eatery participating in the event brought a sampling of the unique fare they offer to Western Maryland. Good food and fun were had by all. These two pages contain pictures taken at the Annual Rural Awards luncheon and the Little Taste of Mountain Maryland.



## Rural Maryland Summit 2005



McFarland's Candies



Queen City Creamery, Terry & Rick Michels, Owners



Romeo & Sons



Weaver's Family Restaurant



Bumble-Q's



Timeless Treats

Lakeside Creamery



Uno's





## Board Members

*Officers:*

- Greg Snook, Chairman  
Washington County Commissioner
- Jim Stakem, Vice-Chairman  
Allegany County Commissioner
- Ernie Gregg, Secretary/Treasurer  
Garrett County Commissioner
- John Kirby, Asst. Secretary/Treasurer  
City of Frostburg Administrator

*Members:*

- Allegany County
  - Jim Stakem                      Lee Fiedler
  - Bob Hutcheson                Robert Smith
  - Tom Cooley                     Stephanie Gates
- Garrett County
  - Ernie Gregg                     Leo Martin
  - Jim Hinebaugh
  - Dr. Stephen Herman
- Washington County
  - Greg Snook                     Richard Trump
  - James Kercheval               Fred Papa
  - Tim Troxell                     William Pennington
- Western Maryland Delegation
  - Senator John Hafer
  - Senator Donald Munson
  - Delegate George C. Edwards
  - Delegate Kevin Kelly
  - Delegate Christopher B. Shank
  - Delegate John P. Donoghue
  - Delegate LeRoy Myers
  - Delegate Robert A. McKee

*The mission of Tri-County Council is to serve our constituent counties and to promote inter-jurisdictional coordination, cooperation and communication on issues affecting the region and to provide local technical assistance. Our goal is to work with local governments, businesses and educational institutions throughout the region in providing the programs and services most needed by the region and our member governments.*

## Calendar of Events

- December 6, 2005  
Western Maryland Economic Development Commission  
Community Support Services Workgroup Meeting  
Penn Alps  
Grantsville, Maryland
- December 12, 2005  
Tri-County Council Subcommittee for Education Meeting  
Allegany College  
Cumberland, Maryland
- January 4-6, 2006  
Maryland Association of Counties (MACo) Winter Conference  
Hyatt Regency Chesapeake Bay Hotel  
Cambridge, Maryland
- January 6, 2006  
Governor's Grants Office  
Local Government Grants Conference  
The Conference Center at the Maritime Institute  
Linthicum Heights, Maryland
- January 26-27, 2006  
PACE Reception  
Loews Annapolis Hotel  
Annapolis, Maryland

## Local Government Grants Conference

The conference, presented by The Maryland Governor's Grants Office, will be held January 6, 2006 at [The Conference Center at the Maritime Institute](#).

**Conference Session Topics:**

- How to effectively research Grant Opportunities
- How to write successful Grant Applications
- [Grants.Gov](#): How to file Federal

- Grant Applications Electronically
- Indirect Costs & Cost Allocation Plans
- Building Partnerships to work successfully with foundations
- The role of Congress in the world of Grants
- How to work with Faith-Based & Community Organizations
- Who should attend?**
- Grant Program Managers & Di-

- rectors
- Budget & Finance Directors, Managers, & Staff
- Procurement Officers
- Fiscal Officers
- Directors Of Non-Profit Organizations
- Anyone Interested In Learning More About Grants

**Topic-specific Grant discussions led by State Agency Grant Officials:**

- Human Services
- Homeland Security & Public Safety
- Economic Development Education
- Environment