

# Cover Story



## Getting creative

### Finding funding for township infrastructure projects

***"Are there any grants out there for my project?"***

Right behind, *"How much will it cost?"*, this is often the question next most frequently asked by township officials when considering new infrastructure projects.

Coupled with special assessment districts or extra-voted millages, finding the right grant or loan opportunity can turn the concept of a township improvement into a reality, with enough legwork, dedication and effort.

Michigan townships are using creativity and persistence to make their infrastructure projects happen in both conventional *and* unconventional ways.

#### 'SELLING' YOUR PROPOSAL

After finding a grant program—often through a foundation, or state or federal program (*see sidebar on page 18 for a listing of grant sources*)—and ensuring that the township project meets all applicable requirements, it is up to the actual grant application to tell the tale of the project.

Like it or not, your township's grant proposal is a "sales" document. It should be written in a straight-forward yet creative and persuasive style, and must address all the grant scoring criteria in its descriptions and narrative.

Preparation is vital to the grant-writing process. Solid planning and research can simplify the writing stage. When writing the proposal, the township grant coordinator should:

1. Succinctly summarize the proposal in one paragraph or less ... it's your headline!
2. Provide a little information on the township and how it will manage the grant.
3. Describe the township's need/problem/activity in a way that is tailored to grant scoring criteria.
4. Outline the township's work plan.
5. Describe the outcome or impact of the request should it be honored with a grant.
6. Identify source(s) of "matching" funds.

7. Explain future needs for money, and/or how the township will move forward after this money is gone. Address future maintenance funding abilities and plans.
8. Provide a detailed cost breakdown for the entire project.
9. Get your grant before you write the proposal!

The last item above bears some explanation. Getting a grant before you write your proposal means doing everything possible to involve the grant agency in the application and project development process. Learn all you can about the agency's "unwritten" needs, and address them in your narrative. Site visits are wonderful.

### IMPROVING YOUR CHANCES FOR SUCCESS

Key strategies can help a township push its application to the top of the pack, including:

**Get an engineering study.** Regardless of the grant the township is seeking, it can be a tremendous help if the township has invested in a preliminary engineering study that outlines the scope and cost of the proposed project. An inaccurate cost estimate can be embarrassing for an applicant who receives a grant only to learn later that the project cost estimate upon which it was based was too low. Most grant programs have a set amount to give away each grant cycle. This might mean the township will have to increase its local share of the cost—or worse, abandon the project!

Many grant programs take a while after the application deadline to decide on the projects they will support. Once they make their awards, however, they are anxious to see some results. This is why projects that are "shovel-ready" often get preference over those that have yet to be designed. Although there can be a significant cost to develop a full set of plans and apply for permits, having them in-hand is a decided advantage more often than not.

**Prepare your "match."** Grant providers also prefer to see applicants with some "skin" in the game—meaning the more local money the township can offer to reduce the grant request amount, the better the chances for success. Often, grant programs do not publish a "set" match amount or percentage, but they intimate that more is better.

If possible, look at previous grant cycle awards from those agencies that publish that information. This quickly provides not only a feel for the range of match amount needed, but also provides insight for the type of projects that have received grants in the past.

**Find partners.** Partnering with other communities or community groups invariably increases the chance for grant success. Lacking direct participation, it's important to seek support letters from those individuals, groups or elected officials likely to "champion" or benefit from the township's proposed project.

**Use your network.** Make sure that your township's name rises above the fray by making personal connections with individuals

within the state or federal department, or foundation offering the grant. Tips and suggestions garnered through phone conversations, e-mail or face-to-face meetings can make major differences in the final form and focus of your proposal. The more personal contacts you make, the better.

### CASE STUDIES IN CREATIVE FINANCING

The following case studies are examples of how community ingenuity and imaginative thinking have solved some vexing infrastructure issues in not-so-conventional ways.



**Cannon Township (Kent Co.) non-motorized trail system**

#### *Creating a healthier community*

In the planning stages since 2000, **Cannon Township** (Kent Co.) built the first leg of its non-motorized trail system in 2007. This spectacular trail connecting the township hall with Townsend Park is now enjoyed by thousands of health-conscious citizens and visitors each year.

Seeing the project come to fruition took a little patience—and persistence, according to Clerk **Bonnie Shupe Blackledge**. "We applied for three different grants before we finally received funding," she explained, noting that the township had to make some changes to its original planning in order to comply with grant requirements.

With just under a month before the 2006 Michigan Natural Resources Trust Fund (MNRTF) grant application deadline, Blackledge learned about the opportunity and decided, "let's go for it." She worked with a project engineer (and article author) to complete the necessary paperwork—she wrote the grant narrative, while the engineer compiled the cost figures and project plans. While the township had outsourced the grant writing for the two previous grant applications, for the MNRTF grant, the township kept the work in-house. That personal touch may have made a difference.

"When you have a passion for the project, it gets reflected in the grant narrative," Blackledge said, noting that she stressed the environmental, recreational and health impact that the trail would have on the community.

The third time was a charm, and the township secured a \$500,000 MNRTF grant. In addition to the grant funding, which Blackledge says was critical to getting the trail work underway, a key part of the township's planning also included using bank

## Popular funding sources

When searching for funding opportunities in the grant world, it may be challenging to find what's available. With a little legwork and investigation, officials can find sources to help fund township projects and services. Consider the following:

### GO TO THE SOURCE

The following government Web sites have information on the grants offered by each agency.

#### **Federal Emergency Management Agency**

(<http://fema.gov/government/grant/hmfp>)

*Grant programs include Flood Mitigation Assistance, the Hazard Mitigation Grant Program and the Pre-Disaster Grant Program.*

#### **Michigan Department of Natural Resources & Environment**

([www.michigan.gov/dnre](http://www.michigan.gov/dnre))

*In addition to the Drinking Water Revolving Fund and State Revolving Fund, commonly used for sewer and water upgrades, programs include the Brownfield Redevelopment Program, Wellhead Protection Program, Michigan Natural Resources Trust Fund, Land & Water Conservation Fund, Coastal Management Program, and Waterways Program.*

#### **Michigan Department of Transportation**

([www.michigan.gov/mdot](http://www.michigan.gov/mdot))

*Programs include the Transportation Economic Development Fund, Transportation Enhancement Program and Surface Transportation Program Small Urban Fund. MDOT also administers the Congestion Mitigation & Air Quality Improvement Program ([www.fhwa.dot.gov/environment/cmaqpgs](http://www.fhwa.dot.gov/environment/cmaqpgs)) and Safe Routes to School ([www.saferoutesmichigan.org](http://www.saferoutesmichigan.org)).*

#### **Michigan Economic Development Corporation**

([www.themedc.org](http://www.themedc.org))

*The MEDC administers Michigan's Community Development Block Grant program.*

#### **U.S. Department of Agriculture** ([www.usda.gov](http://www.usda.gov))

*Programs include Rural Development monies, such as the Water and Environmental Programs fund.*

#### **U.S. Department of Commerce** ([www.commerce.gov](http://www.commerce.gov))

*The Economic Development Administration administers economic development grants.*

### SEARCH THE WEB

Using your favorite Internet search engine, type in what you're looking for, and see where it leads you. You'll have to sort through the ensuing deluge of information, but it can be worth it. There is a potential gold mine of information available if you take the time to search for it. Persistence is key to a successful grant search!

### SEARCH DATABASES

A number of helpful databases allow you to search for grants by keyword, including [www.grants.gov](http://www.grants.gov), [www.cfda.gov](http://www.cfda.gov), [www.epa.gov/epahome/grants.htm](http://www.epa.gov/epahome/grants.htm) and [www.michiganfoundations.org](http://www.michiganfoundations.org).

funds from a recreation millage that generates about \$200,000 each year.

Future plans are also in the works to connect a commercial development and residential area in Cannon Township. The township's new Town Center retail and commercial development recently opened at the busiest road intersection in the community. Even though the Lake Bella Vista neighborhood surrounds the Town Center, there is no easy way to walk between the two.

That will change this summer, as Cannon Township recently secured an approximately \$75,000 grant from the Energy Efficiency and Conservation Block Grant (EECBG) portion of the federal stimulus funds through the Michigan Department of Energy, Labor and Economic Growth—a grant opportunity that Blackledge says she learned of through the 2009 MTA On The Road regional meetings. The funding, coupled with roughly \$70,000 in township-banked Metropolitan Extension Telecommunications Rights-of-Way Oversight (METRO) Act funds and additional funding from the recreation millage, will help complete a sidewalk project linking the two areas. (For more on townships receiving stimulus grants, turn to page 20.)



Saugatuck Township (Allegan Co.) trail system

### **Cleaner air, healthy living**

The Adams Street non-motorized trail in **Holland Charter Township** (Ottawa Co.) currently dead-ends on either side of I-196—but not for long. Using a \$217,000 MDOT Surface Transportation Program (STP) grant and a \$343,000 MDOT Congestion Mitigation and Air Quality (CMAQ) grant, they are building a 235-foot-long pedestrian bridge over I-196 and connecting it to the existing trail on either side of the highway. Holland Charter Township voters first approved a trails millage in 1981, and they are using the proceeds to cover its remaining \$504,000 share of the \$1.64 million project.

Another West Michigan community, **Saugatuck Township** (Allegan Co.) built a portion of its trail system using a \$246,000 CMAQ grant through MDOT. The grant is given to projects that reduce transportation-related emissions in areas that do not meet air quality standards.

### **Efforts to build a much-needed sewer system**

A years-long project in **Casnovia Township** (Muskegon Co.)—a much-needed sewer system affecting some 75 properties in the

township's Bailey community—is one step closer to reality, thanks to a 75 percent grant from USDA's Rural Development program (*turn to page 22 for more on USDA Rural Development*).

Septic tanks there have been failing for years, but until now residents could not afford the approximately \$25,000 per household cost of sewers. "It's not a good situation," noted Clerk **Carl VanLoon**.

The township has received a \$1.3 million Rural Development grant, along with a \$475,000 loan, which can be repaid at 2.5 percent interest rate over 40 years. The next step for the township is to acquire petitions with signatures from 51 percent of affected property owners approving a special assessment district to cover the cost of the loan. Once signatures are gathered—a process that is already underway—the board must vote to approve the district and to accept the USDA funding.

"The sewer project is the proper way to go," VanLoon said. "It is still dependent on the people approving the special assessment district, but we are optimistic that the project will go forward."

This project started with an income survey by Hillsdale-based Rural Community Assistance Program, at no cost to the township, sanctioned by Rural Development, which qualified the specific project area for the low-income grant. The funding is critical for completion of the project, according to VanLoon, who said the township "would never be able to accomplish" the \$1.8 million project on its own.

#### ***Turning riverfront property into a public park***

When a developer bought the Grand Island Golf Ranch to develop a retail and condominium project, he offered to sell the golf course's entire Grand River frontage to **Plainfield Charter Township** (Kent Co.). The township had long coveted this portion of the Grand River's frontage, both as a park and a key link of its planned Grand River Trail.

The township's \$540,000 grant request was honored by the Michigan Natural Resources Trust Fund (MNRTF) in 2009. No matching funds were required. Communities seeking less than \$100,000 either to buy parkland or develop a park are encouraged to apply for MNRTF funding, as chances for success are higher than average at this modest funding level.

#### ***Creative drainage financing scheme solves problems, spares cost***

Frequent rains exposed a number of localized flooding issues within the developing York Creek watershed in **Alpine Township** (Kent Co.). The proposed solution—a series of channel modifications and detention areas—was not only complicated, but construction costs were estimated at \$2.3 million. Unfortunately, Alpine Township did not have the resources to fund a project of this size. With a bit of luck and some careful planning, Alpine officials found a way that the project could be done without undue financial strain on its residents.

By using a little-known funding mechanism within the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grants Program, Alpine Township tied York Creek's flooding issues to a regional disaster declaration in another part of Michigan. The result was a \$570,000 FEMA grant to buy three houses impacted by frequent flooding so that they could be demolished and removed from the flood plain, creating additional flood storage to minimize future downstream damages.

In addition, Alpine negotiated with a developer to donate land to build a major upstream stormwater detention pond in York Creek's watershed. A special assessment district paid for the pond.

#### **PARTING THOUGHTS**

The late Wisconsin Sen. William Proxmire issued a "Golden Fleece Award" monthly from 1975 to 1988. In his own words, the award singled out "wasteful, ridiculous or ironic uses of the taxpayers' money." Some of the more famous programs shamed with this "honor" were a \$27,000 study to determine why inmates want to escape from prison, \$400 hammers and \$1,200 toilet seats, and Proxmire's personal favorite, a study to find out whether sunfish that drink tequila are more aggressive than sunfish who drink gin.

The point? If grants were available for these crazy projects, think how much more reasonable and attractive your township's "pet project" will look to those making grant decisions.

Remain hopeful, optimistic and persistent—and you will succeed! Happy hunting! ■

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*Prein&Newhof produces an annual Grants & Loans: A Guide to Municipal Financing for Michigan Communities publication. To obtain a copy, e-mail the author at jhegarty@preinnewhof.com.*



## Turning visions into reality **Township projects benefit from federal stimulus dollars**

It's been just over a year since the American Reinvestment and Recovery Act (ARRA, or better known as the federal stimulus package) was passed into law. A nationwide effort to create jobs, jumpstart growth and transform our economy for the 21st century, this sometimes-controversial measure aimed to lay a foundation for future economic growth in key areas like health care, clean energy, education and a 21st-century infrastructure.

According to [www.michigan.gov/recovery](http://www.michigan.gov/recovery), the State of Michigan's Recovery and Reinvestment Plan Web page, ARRA will funnel an estimated \$18 billion into the state, largely through existing programs or funding streams, tax cuts and credits to citizens and businesses, and through more than 70 competitive grant opportunities. A vast majority of those funding possibilities are open to local governments—including more than \$1.6 billion in infrastructure projects statewide.

While, as of December 2009, just over half of the stimulus package monies had been allocated, Michigan townships are already seeing some benefits from the increased funding. Local projects that have received funding from grants affiliated with ARRA include:

- Expanding community policing ventures
- Increasing broadband Internet access
- Purchasing emergency services equipment and vehicles
- Retrofitting buildings for energy efficiency
- Offering public transportation in rural areas

And the list continues. The following townships are among those Michigan local governments that are seeing local visions become local realities as a result of stimulus dollars.

### **COOPERATING FOR THE BETTERMENT OF THE COMMUNITY**

When **Brad Carpenter** stepped into office as **Carlton Township** (Barry Co.) supervisor in 2001, his work was cut out for him. Residents living near both Middle and Leach Lakes had approached the board asking for help with sewer systems.

"The challenge for the township was going to be figuring out a way to research the possibilities with no funding," Carpenter said. "Carlton Township, being a mostly rural agricultural community with a very limited income stream, depends on state revenue sharing for its budget."

To identify current problems and find out how much support there would be for a new sewer system, the township surveyed lake residents in 2004. Armed with the survey results, the township applied for—and received—a State Revolving Fund (SRF) grant, from the Michigan Department of Natural Resources and Environment, which covered 90 percent of the project plan.

"We then approached the City of Hastings for sewer connection and they were very supportive," said Carpenter. "They wanted to help protect a natural environment that we all enjoyed."

The township established a split special assessment district (SAD)—receiving signatures from nearly three-quarters of the affected residents supporting the SAD—for both the planning and engineering phase, and the construction phase of the project. Over the next few years, the township partnered with the City of Hastings and **Hastings Charter Township** (Barry Co.), and worked with Waste Management and Stephens Consulting Services, to come up with a project plan.

In July 2009, they submitted their plan for ARRA funding. In August, officials were notified that they received SRF funding for the project for 20 years and that they would also receive ARRA funding for 40 percent of the project cost. "We were speechless with this news," Carpenter said. "We had worked so hard to make this affordable for residents and now it had become a reality."

The now-underway project is having a positive economic impact on the area, using mostly local contractors helping to stimulate local economy and jobs, according to Carpenter.

After years of hard work, area officials are proud of their accomplishment. "It is truly one of the great success stories for the townships, the city, and Barry County," Carpenter said. "I have always believed that if you work hard good things will happen—this project is certainly a good example of that. When everyone works together in cooperation, things move forward for the betterment of the people."

## PROJECTS OFFER VISIONS OF AREA GROWTH

When the ARRA legislation was being discussed by Congress in Washington, D.C., back in Michigan's Upper Peninsula, officials in **Osceola Township** (Houghton Co.) were making plans in anticipation of an increase in funding. Specifically, the township was aiming for funds to install a sewer system to protect residents' drinking wells, and to overhaul the area's decrepit water and fire protection system.

When the legislation was signed into law on Feb. 17, 2009, it was all systems go for the township.

"When the stimulus grants were being discussed, we were getting ready," said Supervisor **Steve Karpiaik**, noting that two area engineering firms were instrumental in assisting the township in the grant-writing process. "When it was all approved, we didn't waste any time. We jumped right on it—and we were successful."

The township landed \$7.8 million in U.S. Department of Agriculture Rural Development grants for two projects. Karpiaik believes the first project—a sewer system in the township's Dollar Bay area—will do more than just upgrade the area's wastewater treatment; it could help spur economic development. "The sewer project will help protect our wells and prevent them from being contaminated," he said. "Keeping our wells clean will allow our area to grow."

The second project, to construct a water delivery system in the township's Tamarack City area, will not only deliver safe drinking water, it will also ensure that the community continues to have fire protection.

"Tamarack City was created by the mining companies," Karpiaik explained. "At the time, the companies put in a separate water system and fire protection system. The fire protection system goes through people's properties and has not been maintained for almost 100 years. We're looking at creating a whole new water system combining drinking water and fire protection. Without this project, our community won't have fire protection because that system is falling apart beyond repair."

Karpiaik credits the stimulus funding with making the projects possible—and protecting area residents. "Both projects will benefit the safety of the community and allow us to grow," he said. "These projects would be impossible without the funding. We just don't have the resources."

## BUILDING A PATH TO SAFETY

Residents in **Oxford Charter Township** (Oakland Co.) will be able to enjoy the outdoors a little more easily, thanks to a nearly half-million dollar grant, funded with stimulus dollars through the Community Development Block Grant program.

Construction is nearly complete on a pedestrian safety sidewalk and 950-foot enclosed bridge along Drahner Road in the township. A safety path is a wide sidewalk that can be used for walking, jogging, riding bikes and other outdoor activities.

Without the stimulus funding, the project would not have been possible, according to Treasurer **Joe Ferrari**. "This \$447,968 grant covered most of the actual construction costs to provide the pedestrian walkway and bridge," he said.

The community will benefit from the project by enjoying greater walkability and access to the outdoors, Ferrari said.

"This project will provide a link to the sidewalk system in the Village of Oxford, the safety path system in Oxford Charter Township and the Polly Ann Trailway that runs through many northern Oakland County communities," he noted. "It allows our residents to traverse the community by foot or bicycle, and fosters a great sense of community and physical well-being."

A dirt road in the township—which runs alongside Oxford High School—will also soon be paved by the Oakland County Road Commission, thanks to stimulus funding, according to Ferrari.

### MAKING THE FIT TO RETROFIT

**Watertown Township** (Tuscola Co.) is on its way to saving costs and becoming more energy efficient, thanks to a \$33,394 grant for township building retrofits from the Energy Efficiency and Conservation Block Grant (EECBG) program.

It took a lot of hard work—and a little patience—to win the funding, according to Clerk **Barbara Tanks**. "As soon as I learned of the energy grant through the stimulus bill, I went to work on getting estimates and making sure we were 'shovel ready,'" Tanks said.

However, the funding was initially only available to "entitlement" communities (of a certain population or area). "So, the estimates were filed and we waited until the grant

opened up to non-entitlement communities," Tanks said. "In Fall 2009, it did—and we were ready and waiting."

The grant, along with \$10,000 of township funds, is being used to fund energy-saving retrofits to township buildings. The work includes replacing exterior doors and windows, weatherstripping, exhaust fan repair, a new heating and cooling system in the township hall, and new radiant tube heaters in the fire hall. The township also plans to update all fluorescent interior lights for increased energy efficiency and will include occupancy centers to control lighting costs.

Although the funds have not yet been received—Gov. Jennifer Granholm announced the awards on Jan. 27—the township will waste no time getting the project underway. "As soon as the contracts have been signed and the money is available, the work is shovel ready and slated to begin," Tanks said.

Tanks also credits a little intergovernmental cooperation with making the grant award possible. Three counties, encompassing several communities, "lumped their applications together to file one big application consisting of many projects," she said.

Tanks credits the EECBG with helping the project come to fruition. "Although these retrofits have been necessary for some time, due to budget constraints, there is absolutely no way we would be getting this work done had it not been for the grant," she said. And it's not just the township buildings that will see the perks. Said Tanks, "Anything that saves tax dollars benefits our entire community." ■



## USDA Rural Development: Making township projects possible

For many rural Michigan communities, the last few years have not been easy. Young people are increasingly leaving the state in search of opportunity elsewhere. The economy has remained sluggish, and state and local revenues have fallen. At the same time, high regional unemployment and an aging population mean that greater demands are being placed on public services. Under these circumstances, it is often a struggle simply to make ends meet—to say nothing of adjusting to long-term needs.

USDA Rural Development (RD) can help ensure that those needs are met and that Michigan townships have someone to share their financial burden.

From police vehicles to sewer projects, housing to hospitals, Rural Development has helped provide critical financing for dozens of Michigan communities every year. In 2009, Rural Development invested more than \$1 billion in Michigan's townships and rural communities—including funding 32 energy efficiency projects, providing financial assistance for 162 community facility projects and financing sewer or water projects that helped 55,818 rural Michigan residents.

These improvements take many forms. In **Denton Township** (Roscommon Co.), USDA Rural Development was able to provide a long-term, low-interest loan to construct a new ambulance facility. The new facility is a 15,000-square-foot building that houses administrative offices, temporary sleeping quarters for on-call personnel, a training center and the ambulance garage. It replaced a 2,600-square-foot structure that suffered from roof and window leaks, poor insulation and overcrowding.

**Cedarville Township** (Menominee Co.) had an even more pressing problem. The township's fire truck was actually a converted gasoline truck on an old chassis. Undependable and unsafe to drive, it was not suitable to provide round-the-clock emergency response.

With less than 300 residents, Cedarville Township's resources were unable to remedy this dangerous situation. Fortunately, USDA Rural Development was there to help with a \$27,000 grant and a \$56,000 loan, and the township purchased a new tanker fire truck.

Rural Development uses a mixture of direct loans, loan guarantees and grants to help rural partners, which also include cities, villages, non-profit organizations as well as townships. By combining the three and rallying state and local funding, RD is able to leverage its dollars to maximum effect. This means more communities can be helped.

The First Responder initiative concentrates on police and emergency equipment. It provides relatively small grants—such as \$15,000 for a police vehicle for **Forsyth Township** (Marquette Co.) or \$5,000 for fire turn-out gear for **Ironwood Township** (Gogebic Co.).

**From police vehicles to sewer projects, housing to hospitals, USDA Rural Development has helped provide critical financing for dozens of Michigan communities every year.**

Another area where Rural Development can help is in managing water and sewer problems. These projects tend to be very expensive, often beyond the budgets of even the most affluent rural communities. At the same time, once a problem is found, federal and state environmental regulations often require immediate action to prevent further pollution and health risks. For many rural communities, Rural Development has proven to be an essential element in solving many water and wastewater issues with loans, loan guarantees and grants.

USDA Rural Development is a leading supporter of telecommunications projects involving broadband connections, and also has an array of business incentives to help foster economic growth. With renewable energy—bioenergy in particular—becoming increasingly important, Rural Development is poised to play a critical role in bringing new technology and opportunity to rural Michigan townships.

Whether your township is looking for assistance with an old fire truck, playground equipment, repairs to the sewer system or a broadband connection as part of a regional economic plan, USDA Rural Development may have the tools you need. ■

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*For more information, visit [www.rurdev.usda.gov/mi/](http://www.rurdev.usda.gov/mi/).*