

**MISSISSIPPI
DEVELOPMENT INFRASTRUCTURE
PROGRAM**



**PROGRAM GUIDELINES &
IMPLEMENTATION MANUAL**

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DEVELOPMENT INFRASTRUCTURE PROGRAM

The Mississippi Development Infrastructure Program (DIP), administered by the Mississippi Development Authority (MDA) is designed for making grants to counties or municipalities (Applicants) to finance infrastructure projects to promote economic growth in the State of Mississippi (State). Counties and municipalities are encouraged to use these funds in connection with other State and federal programs. Funding for grants and loans to Applicants is derived from the issuance of state bonds.

The Development Infrastructure Program is authorized under Section 57-61-36, MS Code, Annotated.

Eligibility

Eligible Applicants

Cities and Counties are eligible for the DIP program. Projects must be directly related to the construction, renovation, or expansion of a new or expanded industry.

Eligible Projects

Eligible projects financed with DIP must be publicly owned. All contracts and purchases shall be made in accordance with normal bid and purchase laws of a municipality or county. Eligible projects include, but are not limited to:

- Building (Purchase, construction, or rehabilitation)
- Water Improvements
- Sewer Improvements
- Drainage Improvements
- Transportation facilities directly affecting the site, including roads, bridges, rail lines, or pipelines
- Land Improvements
- Marine Structures
- Energy facilities (Power Generation and Distribution)
- Any other project approved by Mississippi Development Authority

Eligible Industries include:

- Manufacturing and processing
- Large distribution facility
- Service support to agriculture, aquaculture, and mariculture
- Service support to manufacturing and processing
- Telecommunications and data processing
- Corporate headquarters and operations centers
- Research and development

General Provisions

DIP projects should include a benefitting business, committed to increasing net new permanent jobs at their facility in which the grant is assisting. The benefitting business will have four (4) years from the effective grant date to complete job creation and investment commitments. The benefitting business will be required to maintain the total employment requirement for a period of 12 months.

The maximum amount, which may be awarded to any one applicant, will be whichever amount of the following is less: \$15,000 per job or a maximum of \$500,000 total grant amount.

DIP assistance per job must be \$15,000 or less. The proposed activity must be associated with creating 10 or more net new, permanent full-time jobs.

All applicants are required to supply a minimum 10% match of the total DIP grant award amount to the project in the form of cash or in-kind contribution.

The applicant and the benefitting business will be required to enter into a Memorandum of Agreement with each other. This agreement is utilized to outline the responsibilities and commitments of both parties and determine reimbursement if those commitments are not met.

Program funds may not be used for working capital, general expenditures, which would normally be covered under an applicant's general operation budget, or for administrative expenses.

Engineering/Architectural cost are limited to an amount not to exceed 10% of the DIP grant award amount. Local or other funding sources will be required for the balance.

Projects where the applicant does not own the property that is being improved with DIP funds must include an inter-local agreement between both parties along with approval from the Attorney General's office.

Mississippi Employment Protection Act

All grant recipients (applicants) and benefitting businesses entering into contracts with the Mississippi Development Authority represents and warrants that it will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the status verification system of all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program or any other successor electronic verification system replacing the E-Verify Program. The grantee agrees to maintain such compliance and, upon request of the State, to provide copy of each such verification to the State. The grantee further represents and warrants that any person assigned to perform services hereunder meet the employment eligibility requirements of all migration laws of the State of Mississippi. The grantee understands and agrees that any breach of these warranties may subject the grantee to the following: (a) termination of Agreement and ineligibility for any state or public contract in Mississippi for up to 3 years, with notice of such cancellation/termination being made public, or (b) the loss of any

license, permit, certification or other document granted to the grantee by an agency, department or governmental entity for the right to do business in Mississippi for up to 1 year, or (c) or both. In the event of such cancellation/termination, the grantee would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

Application Process

Any applicant seeking funding should contact an MDA project manager with the Global Business Division or the Existing Industry and Business Division. After the initial evaluation, should the manager determine the project meets MDA standards, they will contact the Community Services Division to discuss the project and check on availability of funds. Then upon request, the applicant should send a Pre-Application package to the Community Services Division to include the following information:

- Project Proposal
- Benefitting Business Information Packet
- Engineering cost estimate: Include a general cost estimate. Cost estimate must be submitted by an engineer or architect on their letterhead, signed and stamped.
- Budget Sheet
- Last 3 years of the Benefitting Business's audited financial statements

The process used for evaluating, selecting, and funding Pre-Applications and Applications is based on the following:

- Eligibility
- Project readiness
- Benefitting Business's financial condition

After the review of your Pre-Application, MDA may issue a letter inviting a DIP application. The letter will state the amount of DIP funds that can be applied for and the requirements. Please note: a letter of invitation is not a commitment of funds. An application will be made available at that time. In addition, the applicant must have a Memorandum of Agreement executed with the benefitting business to create and/or retain jobs and make the investment as described in the application. The highest official with both the applicant and the benefitting business must sign this agreement.

MDA will perform a financial review of the business benefitting from DIP money. If MDA does not find the business to be financially sound and eligible to receive state incentives, the Community Services Division will not invite the application. The applicant will be given 45 days to submit the full application.

DIP applications are accepted on a continuing basis as long as funds are available.

Application Requirements

The application must include the following:

- A detailed description of the project and narrative explaining how the specific

improvements will affect economic development and/or job creation in the area, together with supporting documentation.

- Engineering/Architect's Report: This should include a cost estimate and timeline. Cost estimate must be submitted by an engineer or architect on their letterhead as a signed and stamped original. The timeline should outline the project construction from implementation to the completion of construction.
- Executed copy of the Resolution of Authorization for DIP funds and local matching funds
- Memorandum of Agreement
- Budget Sheet
- Detailed Map showing location of proposed project. Maps must explicitly correspond to the proposed scope of activities within this project.
- Copy of building title and lease (applicable if the project includes a building purchase, construction, or rehabilitation)
- E-Verification for the applicant and benefitting business

The Applicant must submit one original of the application to MDA. Complete applications must be submitted with bottom tabbed dividers in between each attachment. All documentation should have original signatures.

Applications can be mailed to:
Mississippi Development Infrastructure Program
Mississippi Development Authority
Community Services Division
Post Office Box 849
Jackson, MS 39205

MDA will evaluate the application to determine if the project meets program criteria.

Site Visit

Once an application has been received, a CSD Program Manager will contact the grant administrator and local unit of government to schedule a site visit. During the site visit, CSD staff will review the following:

- Resolution authorizing the application submittal in the minute book
- Documentation for matching funds
- View the project area and site of improvements to document project need

In addition, the CSD staff will need a current employee roster from the benefitting business. The document must include each employee's name and date of hire. This will be the starting point to account for job creation. A company representative from the benefitting business and the local elected official with the applicant will sign an acknowledgement pertaining to job creation and should attend the site visit.

Award Process

Upon being awarded a DIP grant, a binding contract is executed between the Mississippi Development Authority and the grant recipient for the specific amount awarded, job commitment, and for the particular activity being improved with DIP funds.

Construction may not begin and jobs may not be counted prior to an effective grant award date. Any expenses incurred before the effective date of the grant agreement will not be reimbursed by MDA. Any jobs created prior to the effective date of the grant agreement may not be counted towards job creation.

All funded projects are required to enter the construction phase within 12 months of the award date. Where construction has not begun within 12 months, the grant recipient must satisfactorily demonstrate why the project should be kept open or the award may automatically be voided.

Procurement

All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county.

Minority and Women Owned Business Enterprises

The Mississippi Development Authority (MDA) encourages the maximum opportunity for increased participation by local Minority and Women-Owned Business Enterprises (MBE/WBE) in the procurement of goods and services. The Mississippi Development Authority Minority Business Division at www.mmbr.org and the Mississippi Procurement Technical Center at www.mspsc.com can assist with MBE/WBE outreach efforts.

Disbursement of Funds

All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant or loan application. Additionally, all funds will flow through the grant recipient.

MDA will release DIP program funds for services rendered, on a reimbursement basis, for approved eligible costs incurred for the project.

Grant recipients will have two (2) years from the date of the agreement to request reimbursement for DIP funds. Failure to implement and complete the project within that time frame may result in the agreement being voided and funds de-obligated

Requests for Cash

DIP funds are requested by using the Request for Cash and Consolidated Support Sheet. These forms can be found on MDA's website as a single excel file titled "Request for Cash". The Request for Cash form provides the necessary information about the recipient, project and budget, along with the required signatures to authorize the request. The Consolidated Support Sheet allows for all the reported costs to be documented along with the amount of funds

expended and remaining. The costs reported must be equal to the amount requested and disbursed including any matching funds. Signatures on both forms are required in order to process the request.

An Authorized Signatory Letter must be sent no later than with the first Request for Cash and at any time there is a change in administration. The Authorized Signatory Letter will advise CSD of the authorized signatories for the DIP project.

Completed Requests for Cash must be submitted to:

The Mississippi Development Authority
Community Services Division
Post Office Box 849
Jackson, Mississippi 39205-0849

All forms submitted must be accurately completed or the request cannot be processed and will be returned to the grant recipient. Forms submitted with errors will delay the process and greatly impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to DFA. According to State Statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been received, please contact the Program Manager to check on the status of your request.

Requests for Cash overlapping the State's fiscal year (June 30th) or the grant recipient's fiscal year must be separated into two separate requests.

All requests for construction expenses must include an itemized invoice approved by the engineer or architect.

Matching Funds must be expended at a proportionate rate with DIP Funds and documented on the request for cash forms and include attached invoices or checks.

Contract Modifications

The Community Services Division requires all grant recipients to receive approval prior to making contract amendments, modifications or extensions. Grant recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official or appointed executive officer, supporting the need for the change(s) or extension.

NOTE: CSD must approve any changes to the original budget prior to local action. Failure to have approval may result in an ineligible activity which may result in the repayment of grant funds to MDA.

Excess funds will not be eligible to pay for the project costs not accounted for in the original project description. Additionally, if the grant recipient completes their project for less than the amount awarded, the excess funds may be requested for additional project work as long as there is no change from the scope of the original project.

Economic Development

It is the grant recipient's responsibility to ensure the benefitting business is in compliance with all guidelines, jobs (created and maintained) are documented and benefitting business investment is met. If DIP funds are released and the project does not materialize or the benefitting business's requirements are not met, the grant recipient will be required to pay the DIP funds back to MDA. The grant recipient therefore, should hold the benefitting business responsible for meeting the investment and jobs requirements.

Job Creation Completion

The benefitting business will have four (4) years from the effective grant date to create jobs and expend the private capital investment. An employee roster will be obtained at the site visit. This will be used as MDA's basis for job creation. Once the total number of jobs increases by the amount of the jobs committed and can be shown on one payroll, the total employment requirement will be met. After this point, the benefitting business should maintain the total employment number for a period of 12 months. Once this can be documented and submitted to MDA for review, job creation will be considered complete.

If, for any reason whatsoever, the grant recipient does not adhere to the commitments as documented in the application and grant agreement, the grant recipient will reimburse the Mississippi Development Authority the amount as set out below:

- If the business benefitting from the DIP improvements fails to create and maintain the total number of full-time jobs as indicated in the Memorandum of Agreement and site visit acknowledgement form, the grant recipient will reimburse the Mississippi Development Authority a pro rata share of the amount documented by the Memorandum of Agreement. The reimbursement amount will be arrived at by multiplying the difference between the total number of jobs projected to be created and the number of actual jobs created by the cost per job. The cost per job is derived by dividing the DIP award amount by the total number of jobs projected to be created.
- Should the grant recipient fail to fully implement all facets of the project, or should the business benefitting from the DIP improvements fail to locate to or remain in operation at the DIP assisted site until all project terms and conditions have been met and the DIP grant agreement has been closed out, the grant recipient shall be responsible for repayment of the total amount of DIP funds expended on the project.

Job Reports

All open Economic Development projects are required to submit job reports twice a year until all job commitments have been met. Grant recipients should submit the Economic Development Jobs Report form and a dated and certified employee roster at the beginning of the year and the middle of the year. A representative from the benefitting business and the local elected official should sign and date the Economic Development Jobs Report Form.

Job Report due dates are as follows:

January 15th

July 15th

Failure to submit job reports will result in the Community Services Division holding any and all pending Requests for Cash, Closeouts, and new project approvals for the grant recipient.

MONITORING

Funds provided under the Mississippi Development Infrastructure Program are subject to audit by the Mississippi State Auditor's office. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. During the life of the project or at project completion, a CSD program manager will contact the grant recipient to determine a date for the monitoring visit.

Jobs and Investment Monitoring

All Economic Development projects will be required to provide documentation of the jobs created and maintained and the investment made by the benefitting business. The following documentation is required for all Economic Development projects:

- Investment Documentation: Investment letter from the benefitting business stating the amount invested
- Jobs Documentation: One dated payroll showing the overall employment requirement has been met and a second dated payroll at least 12 months later showing the overall employment requirement has been maintained. If at the end of 12 months, the benefitting business has failed to maintain the total employment requirement that was previously met, they will have 60 days to bring the total employment back up to the committed number. Inability to maintain the total employment requirement will require the repayment of grant funds to MDA

CLOSE-OUT PROCESS

Close-Out Packages bearing the original signatures of the designated signatory officials are due to MDA within 30 days after completion of the project including investment commitment and job creation. Failure to submit Closeout Packages in a timely manner will result in the Community Services Division holding any and all pending Requests for Cash, Close-Outs, and new project approvals for the grant recipient.

The close-out process encompasses a series of activities to verify that DIP Funds have been properly spent and that the applicant has completed the elements of its project in a timely and acceptable manner.

The grant recipient must submit all financial, performance, and other reports required as a condition of the grant.

The tasks involved in closing out a grant include:

1. Resolution of all monitoring findings;
2. Submission of Close-Out Package (one original copy);
3. Submission of Certificate of Completion (three originally signed copies);

The close-out process should begin when the following criteria have been met or will be met shortly.

1. All costs to be paid with program funds have been paid, including any unsettled third-party claims, with the exception of close-out costs, such as the final administration costs.
2. The grant recipient has fulfilled all of its responsibilities under the Funding Agreement. This includes injection of all local cash and in-kind services, other State and/or Federal funding, all private investment, and job creation/retention (where applicable).

Delays in completing close-out can result in the denial of future requests with MDA.

All monitoring findings must be resolved before the close-out can be finalized.

FILE MAINTENANCE

Maintaining an efficient filing system is critical to the administration and monitoring of your project. A successful monitoring experience hinges on the quality with which the grant recipient maintains its filing system and the ease of obtaining information from those files.

When establishing a file system, applicants should consider using two categories to set up their files, grant files, and project files. The grant files should contain documentation and information that relate to the overall funding and administration of your project. The project files should contain specific documentation and information pertaining to the DIP project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

These guidelines may be amended by MDA at any time. MDA, at its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Adopted MDA Board Meeting: February 28, 2017

Adopted: Administrative Procedures Act: June 26, 2017; System Number: 22822