

Title 6: Economic Development

Part 4: Community Services

Chapter 4: The Mississippi Development Infrastructure Program (DIP)

Rule 4.1 Purpose. The Mississippi Development Infrastructure Program (DIP), administered by the Mississippi Development Authority (MDA) is designed for making grants or loans to counties or municipalities (Local Sponsors) 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 Local Sponsors is derived from the issuance of State bonds. DIP was enacted by the State Legislature during the Regular 1993 Session.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014. 2014)

Rule 4.2 Eligibility. The local governing authority of the county or municipality is eligible for the DIP program. Projects must be directly related to the construction, renovation, or expansion of a new or expanded industry.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.3 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:

- A. Drainage Improvements
- B. Energy facilities (power generation and distribution)
- C. Sewer Improvements
- D. Transportation facilities directly affecting the site, including roads, bridges, rail lines, or pipelines
- E. Water Improvements
- F. Marine structures
- G. Land improvements
- H. Building (Purchase, construction, or rehabilitation)
- I. Any other project approved by Mississippi Development Authority

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.4 Intended Beneficiaries. Eligible projects should benefit the following types of industries:

- A. Manufacturing and processing
- B. Large distribution facility
- C. Service support to agriculture, aquaculture, and mariculture
- D. Service support to manufacturing and processing
- E. Telecommunications and data processing
- F. Corporate headquarters and operations centers

- G. Research and development
- H. Tourism

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.5 Application Requirements. The application that is submitted by a local sponsor must include:

- A. 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.
- B. Executed copy of the Resolution of Authorization for DIP funds – include book and page number.
- C. Signed Source and Use of Funds Disclosure Form.
 - (i) A Statement of willingness to comply with non-discrimination and equal employment opportunity requirements.
 - (ii) Budget Sheet
- D. Memorandum of Agreement.
- E. Executed copy of Match Resolution and bank statement (if applicable).
 - (i) Statement of Necessary Improvements (Letter from Mayor/President of Board of Supervisors)
 - (ii) Detailed Map showing location of proposed project. Maps must explicitly correspond to the proposed scope of activities within this project. Applications must include a general vicinity map and a project specific map
 - (iii) Copy of building title and lease (applicable if the project includes a building purchase, construction, or rehabilitation)
- F. Timeline from start date to the completion of the project.
- G. Last 3 years of company's audited financial statements.
- H. Engineering Cost Estimates: Include general cost estimate. Cost estimate must be submitted by an engineer or architect on their letterhead as signed and stamped original.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.6 Key Points.

- A. Mississippi Development Infrastructure Program funds may not be used for working capital, gaming enterprises, general expenditures, which would normally be covered under a local sponsor's general operation budget, or for administrative expenses.
- B. A limited amount of funds may be used for engineering/architectural cost. The amount of these professional services will limited to an amount not to exceed 10% of the DIP grant or loan award amount.
- C. As such, all funds awarded must be spent for improvements within the scope of the
- D. original project description as stated in the grant or loan application.
- E. Additionally, if the recipients complete their project for less than the amount awarded, the excess funds can be requested for additional project work as long as there is no change from the scope of the original project

G. No approved applicant shall be allowed to use excess funds to pay for the project costs that vary from the original project description.

H. All requested changes and variances from the original application should be made in writing and will be reviewed by MDA on a case by case basis.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.7 Application Process. Any local sponsor seeking funding should contact an MDA project manager with the EIB Division for an in-state company or the Global Division for an out-of-state company. After the initial evaluation, should the manager determine the project meets MDA standards, they will contact the Community Services Division (CSD) to discuss the project and check on availability of funds. Then upon request, the local sponsor should send the following information to CSD:

- A. Project proposal
- B. Engineering cost estimate: Include a general cost estimate. Cost estimate must be submitted by an engineer or architect on their letterhead, signed and stamped.
- C. Budget Sheet
- D. Project Information Packet

Upon review of your proposal, 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. An application will be made available to you at that time. In addition, the local unit of government and the company will be required to sign a Memorandum of Agreement provided by MDA and submitted with the application.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.8 Selection Process. The process used for evaluating, selecting, and funding applications is based on the following:

- A. Eligibility
- B. Project readiness
- C. Company's financial condition

One (1) original of the application must be submitted to the Community Services Division of MDA, Development Infrastructure Program, Post Office Box 849, Jackson, MS 39205. DIP is open-ended and applications are invited as long as funds are available. It should be noted that the Executive Director of MDA may at his discretion commit DIP funds to projects prior to an application being submitted to MDA, if a specific project is involved and timing of the award would have direct effect on the location and expansion of the project.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.9 General Grant Terms. The program intent is to stimulate growth and economic development in the State. The maximum amount, which may be awarded to any one local sponsor, will be whichever amount of the following is less: \$15,000 per job or a maximum of \$500,000 total grant amount.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.10 Conditions for Disbursement of Funds.

- A. A grant agreement or loan documents will be executed between the local sponsor and MDA.
- B. All funds will flow through the local sponsor.
- C. MDA will release DIP program funds for services rendered, or a reimbursement basis, for approved eligible cost of the project incurred.
- D. Fund may only be drawn down once a month.
- E. Local sponsors will have three (2) years from the date of the agreement to request reimbursement for DIP funds. Failure to implement and complete the project may result in the agreement being voided and funds de-obligated.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.11 Auditing and 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. MDA intends to use up to three percent (3%) of the DIP funds available for staff to monitor projects and provide technical assistance.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.12 File Maintenance and Monitoring Guidelines. Maintaining an efficient filing system is critical to the administration and monitoring of your program. A successful monitoring experience hinges on the quality with which the Recipient maintains its filing system and the ease of obtaining information from those files.

- A. When establishing a file system, Recipients 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 program. 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.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.13 Close-Out Process. The close-out process encompasses a series of activities to verify that DIP Funds have been properly spent and that the city, town or county has completed the elements of its program in a timely and acceptable manner.

- A. Within 90 days after the date of expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant.
- B. The grantee must retain all records for a period of five years from the date the State executes the Certificate of Completion.
- C. The tasks involved in closing out a grant include:
 - (i) Resolution of all monitoring findings;
 - (ii) Submission of close-out report (one original copy);
 - (iii) Submission of Certificate of Completion (three originally signed copies);

- D. The close-out process should begin when the following criteria have been met or will be met shortly.
- (i) 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.
 - (ii) The 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 Community Services.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.14 Close-out Monitoring Requirements. At project completion, the MDA-CSD representative will contact the grant recipient to determine a date for the close-out monitoring visit. All monitoring findings must be resolved before the close-out can be finalized.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.15 Additional Information. For more information regarding file maintenance and monitoring requirements you may contact:

A. Mississippi Development Authority
Community Services Division
ATTN: Sara Doss
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-3179
Fax: (601) 359-3108

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule. 4.16 Waiver.. These guidelines may be amended by MDA at any time. MDA, in 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.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)