

MISSISSIPPI DEVELOPMENT AUTHORITY

ACE GRANT FUND

GUIDELINES

2007

Applications should be submitted to:

**Mississippi Development Authority
Financial Resources Division
Attn: Penny Barrentine
PO Box 849
Jackson, MS 39215**

ACE FUND

The Mississippi Ace Fund ("Ace Fund"), administered by the Mississippi Development Authority ("MDA") is a program designed for making grants to local economic development entities to assist in funding extraordinary economic development opportunities to promote economic growth in the State of Mississippi ("State"). Local economic development entities are encouraged to use these grants in connection with other State and federal programs. Funding for grants is derived from monies contributed to the Ace Fund by private and public sources.

Eligibility

Applications for assistance must be submitted by public or private nonprofit local economic development entities, including, but not limited to, chambers of commerce, local authorities, commissions or other entities created by local and private legislation or districts created pursuant to Section 19-5-99.

Eligible Projects

Projects, which are eligible for assistance, must be related to the construction, renovation, or expansion of a new or expanded business. Examples include construction of infrastructure, moving cost and other "soft" costs.

Eligible Projects should benefit the following types of businesses:

- 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 Terms

Ace funds may not be used for working capital nor to provide funds related to a gaming enterprise.

PROJECT REQUIREMENTS

Extraordinary Economic Development Opportunity

To be eligible for grants through the Ace Fund, a business project must be classified as an “extraordinary economic development opportunity” and demonstrate that the business is at an economic disadvantage by locating or expanding in the designated location.

"Extraordinary economic development opportunity" means a new or expanded business, which maintains a strong financial condition and minimal credit risk and creates substantial employment, particularly in areas of high unemployment.

Matching Funds

A local public or private fund, or in-kind match, is strongly encouraged.

APPLICATIONS REQUIREMENTS

There is no separate application form. The application submitted by a Local Sponsor must include:

Any business desiring assistance from a local economic development entity under this section shall submit an application to the local economic development entity, which shall include, at a minimum:

- (i) Evidence that the business meets the definition of an extraordinary economic development opportunity;
- (ii) A demonstration that the business is at an economic disadvantage by locating the new or expanded project in the county;
- (iii) A description, including the cost, of the requested assistance;
- (iv) A description of the purpose for which the assistance is requested;
- (v) A two-year business plan;
- (vi) Financial statements or tax returns for the three (3) years immediately prior to the application;
- (vii) Credit reports on all persons or entities with a twenty percent (20%) or greater interest in the business; and
- (viii) Any other information required by the MDA.

The MDA shall require that binding commitments be entered into requiring that:

1. The minimum requirements of this section and such other requirements as the MDA considers proper shall be met; and
2. If such requirements are not met, all or a portion of the funds provided by this section as determined by the MDA shall be repaid.

Upon receipt of the application from a business, the local economic development entity may apply to the MDA for assistance under this section. Such application must contain evidence that the business meets the definition of an extraordinary economic development opportunity, a demonstration that the business is at an economic disadvantage by locating the new or expanded project in the county, a description, including the cost, of the requested assistance, and a statement of what efforts have been made or are being made by the business for securing or qualifying for other local, state, federal or private funds for the project.

One (1) copy of the application must be submitted to MDA. MDA will evaluate the application to determine if the project meets the program criteria.

CONDITIONS FOR DISBURSEMENT OF FUNDS

A Grant Agreement will be executed between the Local Sponsor and MDA. The Grant Agreement cannot be executed until all required conditions in these guidelines have been met and all documentation received.

Reimbursement Process

MDA will release Ace funds on a reimbursement basis for approved eligible costs of the project as incurred. Funds will be released upon receipt of the Ace Form of Requisition and supporting documentation from the Local Sponsor. Applicants awarded a grant have one year from the date of the Grant Agreement to request reimbursement for Ace project costs. Payments are made through PAYMODE.

Statute

Section 57-1-16, MS Code

Audit

Funds provided under Ace are subject to audit by the State Department of Audit.

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.