

**DEPARTMENT OF TRANSPORTATION
POLICY FOR
INDUSTRIAL PARK, AGRI-BUSINESS ACCESS, AND COMMUNITY
ACCESS GRANT PROGRAMS**

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
700 EAST BROADWAY
PIERRE, SOUTH DAKOTA

APPROVED BY THE SOUTH DAKOTA
TRANSPORTATION COMMISSION ON

DATE: _____

BY: _____
Secretary, Department of Transportation

**SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
INDUSTRIAL PARK, AGRI-BUSINESS ACCESS AND COMMUNITY ACCESS GRANT PROGRAMS**

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APPLICATION

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SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION ECONOMIC DEVELOPMENT GRANT PROGRAMS

PREFACE

The South Dakota Department of Transportation has developed a grant program to foster economic development and enhance community access in South Dakota. The program has three categorical purposes.

- 1) The Industrial Park grants will be made to any local unit of government for the development of new or expanded access for new industry located within industrial parks.

- 2) The Agri-Business Access Grants will be made to any local unit of government for the development of access to new or expanded agri-business industries.

- 3) The Community Access Program grants will be made to communities with populations of less than 5,000 to enhance existing access to down-town areas or for roads leading to schools, hospitals, grain terminals, or other significant traffic generating features of a small community.

All grants will be based on the criteria developed by the Department of Transportation. The expenditure authority for the program will be determined by the Transportation Commission at their May meeting for the next Federal fiscal year. All grants must be approved by the Transportation Commission, and may be used to construct or reconstruct roads and streets that are eligible for funding.

SECTION A

INDUSTRIAL PARK GRANT PROGRAM

1. SPONSOR

An Industrial Development Corporation, or an equivalent organization, or local unit of government shall file an application through the sponsoring local governing body to the Secretary of Transportation. The sponsor must be a local government body (city, town, tribe, township, or county).

2. APPLICATION

The application should show that the following criteria have been met:

- a. Commitment for the start of actual construction of the industrial or economic development facility within six months of date of commission approval; or
- b. Evidence that new construction or expansion of an industrial or economic development facility that meets all other program criteria has been documented within the past year and that previous grants have not been obtained based on the same justification;
- c. There is a minimum committed capital investment of at least five (5) times the required state participation costs;
- d. The total employment for all facilities in the industrial park or development project should be at least 50;
- e. A minimum of five (5) new jobs will be created by the industrial or economical development; and
- f. The extent of local participation in funding shall be as designated in paragraph A.3.

Applications can qualify for funding by meeting either criteria (a) or criteria (b). The Transportation Commission can waive items (c), (d), or (e).

3. PROJECT TYPES ELIGIBLE FOR FUNDING

All applications will be reviewed and prioritized for funding utilizing the following criteria:

- a. Priority One Projects: Construction of roads meeting program criteria and located within a defined industrial park. A minimum of (60%) of State allocated industrial park funds will be used for Priority One Projects. Twenty percent (20%) of the construction costs will be paid for by the applicant.
- b. Priority Two Projects: Construction of roads meeting program criteria that serve as primary access roads to an industrial park but are actually located parallel to an industrial park, or that connect a major route or street to an industrial park. Priority Two Projects also include access roads to agricultural production or service businesses that may not be located within an Industrial Park. Up to forty percent (40%) of State allocated industrial park funds may be used for Priority Two Projects. Forty Percent (40%) of the construction costs are to be paid for by the applicant.

4. ZONING

All land in the industrial park or development area must be zoned Industrial.

5. **LAND TITLE**

Title to all land in the industrial park area or development project area shall be vested with one of the following: 1) in a subdivision of government; 2) an industry committed to construction of an industrial development facility or development project; or 3) an Industrial Development Corporation or its equivalent.

SECTION B

AGRI-BUSINESS ACCESS GRANTS

1. **SPONSOR**

A local unit of government (city, town, township, county, or tribe) may file an application with the Secretary of Transportation.

2. **APPLICATION**

The application should show that the following criteria have been met:

- a. Commitment for the start of actual construction of the industrial or economic development facility within six months of date of commission approval; or
- b. Evidence that new construction or expansion of an industrial or economic development facility that meets all other program criteria has been documented within the past year and that previous grants have not been obtained based on the same justification;
- c. Planning and consideration was given to location based on its impact to the current infrastructure (i.e., roads, bridges, water, sanitary sewer, etc.)
- d. A minimum of five (5) new jobs will be created by the industrial or economical development; and
- e. There is a minimum committed capital investment of at least five (5) times the required state participation costs;
- f. The extent of local participation in funding shall be as designated in paragraph B.3.

Applications can qualify for funding by meeting either criteria (a) or criteria (b). The Transportation Commission can waive items (d) or (e).

3. **PROJECTS ELIGIBLE FOR FUNDING**

Construction of roads meeting program criteria that serve as primary access to an agricultural production or service business. Forty Percent (40%) of the construction costs are to be paid for by the applicant.

SECTION C

COMMUNITY ACCESS GRANT PROGRAM

1. SPONSOR

Any incorporated City with a population of less than five thousand (5,000) residents, township, county, or tribal government may file an application to the Secretary of Transportation.

2. APPLICATION

Potential applicants may obtain an application package from the office of Local Government Assistance in the Department of Transportation (DOT).

The following is a list of the components that must be included in the application package:

- a. Application Cover Sheet
- b. Application Form
- c. Project Narrative
- d. Project Report
 - 1) Scope of Work
 - 2) Typical Section
 - 3) Appropriate maps and drawings
 - 4) Cost estimates of project
- e. A commitment for continued maintenance of the project (City Resolution)
- f. Co-operative agreements with other units of local government if applicable
- g. A Local Government Resolution of firm financial commitment for local unit of government to cover the costs of the engineering and the local match
- h. A commitment to secure any needed Right-of-Way or Easements for Construction (if required)

3. **PROJECT SELECTION**

Projects will be selected and grant amounts determined by the DOT based on need, population, economic impact, and available funding.

4. **SIZE OF GRANT**

- a. A grant may not exceed four hundred thousand dollars (\$400,000) in State funds. In cases where a project can demonstrate an extraordinary state-wide economic development potential, the State may grant a waiver from this limitation. Forty percent (40%) of construction costs are to be paid for by the applicant.
- b. Individual grants will be awarded only in amounts commensurate with the requirements of the proposed project. In determining appropriate grant amounts for each applicant, consideration will be given to an applicant's population, need, proposed activities and ability to carry out the proposed project including the ability to cost-share.
- c. A minimum of 25% of the funds available for this program will be granted to towns with a population under 1,000.

SECTION D

GENERAL CONDITIONS OF THE GRANTS

- 1. These funds may not be used to match federal dollars on any DOT project within the local unit of government.
- 2. The roadway right-of-way must be dedicated to public use, and obtained by the local unit of government.
- 3. The local government agency shall be responsible for maintenance of the completed access road and shall provide evidence of that commitment.
- 4. Construction costs for furnishing and installing sanitary sewers and utilities can not be funded by the DOT.
- 5. Design and Construction engineering costs and administrative fees are to be paid for by the applicant, and can not be included as local match.
- 6. Local sponsor is responsible for the payment of 100% of the ineligible items included in the project.
- 7. The final decision on funding shall rest with the South Dakota Transportation Commission.

SECTION E

PROJECT DEVELOPMENT PROCESS

The following policy and procedure will be followed:

1. SUBMISSION OF PROPOSAL

The local unit of government submits a minimum of two (2) copies of their proposal for Industrial Park and Agri-Business Access Grant funds, or one (1) copy of their proposal for Community Access Grant funds to the Secretary of Transportation. One copy of the Industrial Park and Agri-Business Access Grant applications will be submitted to the Governor's Office of Economic Development (GOED) for review and comment.

In this proposal, the local Development Corporation or local unit of government answers the criteria for DOT participation as set by the DOT for the appropriate grant program. In addition, the applicant provides a resolution passed by the local government sponsor committing to the availability of the necessary public right-of-way, or that they will provide same, and that the local governmental agency will accept the maintenance responsibility for the facility.

This proposal must include an application form and any pertinent design details of the project, i.e., scope of work, location, length, pictures, engineering report, typical section, proposed surfacing, expected traffic, etc., and the estimated construction cost which DOT is expected to participate in.

2. GOED REVIEW VERIFICATIONS AND RECOMMENDATION

(Industrial Park and Agri-Business Access Grant Applications)

The Office of Local Government Assistance will request a review of the proposal from GOED. GOED, will determine:

- a) if industrial or economic development has or can be expected to materialize;
- b) if the construction of the proposed facility is necessary for development;
- c) and that the future development is in effect a reality

When GOED has reviewed the proposal, their recommendation will be forwarded to Local Government Assistance.

3. DOT COMMISSION ACTION

The Transportation Commission at their May meeting will establish the funding for the Program for the following federal fiscal year. All carry over funds shall be dedicated for use in the next fiscal year. Each applicant will be notified as to acceptance or rejection of their proposal.

4. AGREEMENT

After being notified of acceptance of their application, the applicant will be sent an agreement wherein DOT agrees to pay the eligible percentage of the construction costs. This financial agreement will commit the DOT to a maximum amount, with the final payment based on actual construction costs. The maximum amount allowed will be the amount approved by the Transportation Commission. In the event conditions develop requiring additional funding, that funding must be provided by the local unit of government, unless a supplement grant is applied for and secured from the Transportation Commission.

5. **PLANS SUBMITTAL, REVIEW, AND APPROVAL**

Upon notification of acceptance, the applicant will prepare the necessary construction plans, specifications and estimates. Local Government Assistance will coordinate the development and review of the plans and will provide the applicant with technical assistance in the design of the project. The plans, specifications, and estimates are to be submitted to the Program Manager, Office of Local Government Assistance, for approval prior to advertising for bids.

6. **PROJECT IS LET**

Upon execution of the funding agreement and approval of the plans and specifications, the applicant will be authorized by letter from Local Government Assistance to advertise the project for bids.

DOT reserves the right to let the project to bids, if they so choose.

This letting shall be in conformance with procedures approved by the DOT. After the applicant has received bids and taken action to award the bid, a copy of that action along with the Abstract of Bids and a copy of the engineer's detail cost estimate shall be forwarded to Local Government Assistance for concurrence in the award after which construction can begin.

7. **CONSTRUCTION OF THE PROJECT**

The applicant shall be responsible for the design and construction engineering. Construction change orders must be reviewed and approved by Local Government Assistance.

Any change orders and/or request for payment should be sent to Local Government Assistance, Department of Transportation, 700 E. Broadway, Pierre, SD 57501-2586.

If the applicant fails to place the proposed construction under contract within two years of the date of the approval of the proposal by the Transportation Commission, the grant shall expire.

Failure to comply with approved plans and specifications will be cause for DOT to withhold participation and reimbursement.

8. **BILLING**

Partial payments may be made by DOT upon receipt of an itemized partial progress estimate submitted by the local government agency. DOT will pay the local unit of government, who will in-turn pay the contractor.

Any pay requests should be sent to Local Government Assistance, Department of Transportation, 700 E. Broadway, Pierre, SD 57501-2586. Final payment will be made after a final inspection and upon certification that the project is complete and construction is in conformance with the contract as awarded. The final inspection may be attended by the Office of Local Government Assistance.

APPLICATION FOR INDUSTRIAL PARK, AGRI-BUSINESS ACCESS, OR COMMUNITY ACCESS GRANT FUNDS

APPLICATION FOR:

INDUSTRIAL PARK/ AGRI-BUSINESS

(Check one)

COMMUNITY ACCESS

APPLICANT AND ADDRESS:

(Include unit of government)

PROJECT LOCATION:

PROJECT DESCRIPTION:

THE APPLICANT CERTIFIES THAT:

To the best of my knowledge and belief, the information in this application is true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with all appropriate requirements if approved.

Name and Title (typed)

Phone

Signature

Date

APPLICATION PREPARED BY:

Name and Title (typed)

Phone

Representing

Date

Name of Consultant (typed)

Phone

Representing

Date

INDUSTRIAL PARK AND AGRI-BUSINESS ACCESS GRANTS

1. BUSINESSES TO BE SERVED AND PROPOSED EXPANSION PLAN:

2. COSTS OF INFRASTRUCTURE

NON PARTICIPATING ITEMS		PARTICIPATING ITEMS	
LAND		CONSTRUCTION	
UTILITIES		CONTINGENCIES	
ENGINEERING			
OTHER			
TOTAL		TOTAL	

3. FUNDING OF PROJECT

LOCAL	
OTHER	
DOT (60 or 80% as per project type)	

4. TOTAL NUMBER OF NEW FULL TIME EQUIVALENT JOBS TO BE CREATED:
(MINIMUM OF 5)

FULL TIME _____ PART TIME _____

5. TOTAL EMPLOYMENT FOR ALL FACILITIES OR DEVELOPMENT:
(MINIMUM OF 50 FOR INDUSTRIAL PARKS)

FULL TIME _____ PART TIME _____

6. TOTAL NEW CAPITAL INVESTMENT FOR THE FACILITY: _____

7. PROJECT LENGTH _____

8. ROW: Is the Right-of-Way dedicated to public use? yes _____ no _____

9. MAINTENANCE: Who will assume maintenance of the road upon project completion? _____

Attach additional documentation, letters of commitment from industries involved in creating new, expanded, or existing employment, maps, cross sections, engineering reports, etc. which will enhance the application.

COMMUNITY ACCESS GRANTS

1. **PROJECT TITLE:**
(Town, streets, project termini)

2. **PROJECT INFORMATION:**

Project Length _____ Population _____

Existing roadway width _____ No. of businesses effected _____

Existing surfacing type _____ Is there a current state grant/loan associated with this project? _____

Average Daily Traffic _____ Percent Trucks _____

Future maintenance is to be performed by: _____

Area of community to be served: indicate locations of schools/businesses, etc. (include a map) _____

Current roadway condition (general description) _____

3. **PROJECT COSTS**

NON PARTICIPATING ITEMS		PARTICIPATING ITEMS	
UTILITIES		CONSTRUCTION	
ENGINEERING		CONTINGENCIES	
OTHER			
TOTAL		TOTAL	

TOTAL PROJECT COST _____

4. **FUNDING OF PROJECT:**

LOCAL	
OTHER	
DOT (60% OF PARTICIPATING ITEMS)	