
**ALLEGHENY COUNTY
ECONOMIC DEVELOPMENT**

COMMUNITY INFRASTRUCTURE AND TOURISM FUND

**PROGRAM GUIDELINES
2016**



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I. PURPOSE

The Allegheny County Economic Development, Community Infrastructure and Tourism Fund (“Community Infrastructure and Tourism Fund” or “CITF”), overseen by the Redevelopment Authority of Allegheny County (“RAAC”), is intended to provide financial assistance to entities to facilitate economic development through infrastructure assistance, stabilize or correct existing infrastructure problems, or plan and prepare sites and buildings for future use.

II. PROGRAM DESCRIPTION

The CITF is an annual allocation of \$6,600,000 for use in Allegheny County funded by the Commonwealth of Pennsylvania under the Act of July 5, 2004 (P.L. 572, No. 71), known as the Pennsylvania Race Horse Development and Gaming Act and authorized pursuant to the Act of July 25, 2007 (P.L.342, No. 53), known as the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007. The funds are made available to CITF under these Acts “to fund construction, development, improvement and maintenance of infrastructure projects.”

A. CITF provides grants and loans to allow municipalities, authorities, councils of government (COGs), for-profit businesses (**loans only**), and others, to carry out important infrastructure-related projects, or, for the acquisition and development of key sites for future use.

B. Eligible applicants include:

1. Municipalities
2. Authorities (Redevelopment, Municipal or Industrial)
3. Councils of Government
4. Non-Profit Organizations and Trusts
5. For-Profit Businesses (**eligible for loans only**)

All projects receiving CITF funding must be located in Allegheny County.

Eligible and Ineligible activities for which funds may or may not be used are listed in Sections IX and X.

C. Grant and loan requests will be evaluated and awarded on an annual basis.

D. Terms for awards and contracts include the following, *inter alia*:

III. GRANTS

- A. The amount of the CITF grant funds made available to any one applicant for a single project or application submission will not exceed \$250,000.
- B. Upon approval of a grant application by RAAC, an award letter will be forwarded outlining preliminary terms and conditions. Following receipt of the award letter, the grantee will receive a grant contract for execution. Once the grant contract has been fully executed and all preconditions therein are satisfied, the grantee can proceed with the *procurement process*. Upon satisfactory completion of the procurement process, the grantee can submit requests for the reimbursement of funds spent, pursuant to the terms of the grant contract.
- C. The CITF grant must be repaid if the grantee or the project is relocated outside of Allegheny County within 3 years of its execution of the grant agreement.

IV. LOANS

- A. The maximum allowable CITF loan will not exceed \$250,000. The interest rate and amortization will be determined on a case by case basis. Loans will be secured by a lien on subject real property and/or liens on equipment, tangibles or other assets as determined by RAAC.
- B. Generally, CITF term lengths are as follows:
 - 1. Permanent Financing – Not to exceed ten years
 - 2. Construction or Rehabilitation – Not to exceed twenty-four months.
 - 3. Machinery and Equipment – Not to exceed seven years or the remaining depreciable life of the asset, whichever is shorter.
- C. Upon approval of a loan application by RAAC, a commitment letter will be forwarded outlining preliminary terms and conditions. The letter must be returned within thirty (30) business days of the date of the commitment letter. Failure to respond in the allotted time may result in the withdrawal of the commitment letter. Following returned receipt of the executed commitment letter, RAAC will forward a loan agreement and ancillary documents to the Borrower for execution.
- D. The CITF loan may be due and payable in full in the event the business relocates out of Allegheny County during the term of the loan.

V. PROCEDURE

A. Evaluation Considerations

Upon receipt of a CITF application, it will be reviewed for eligibility. Subsequently, a number of criteria will be used to evaluate applications. Because there may be insufficient funds to approve all eligible applications, priority is given to those applications showing a significant *public benefit*.

In general, the following criteria are utilized to assist in this evaluation:

1. Job creation/retention over a three year period?
2. Amount of CITF funding invested per permanent full time job
3. Site control status at project location
4. Projects that demonstrate a significant percentage of matching funds may be given higher priority consideration for funding.
5. Consistency with the comprehensive plans of either the municipality and/or Allegheny County

B. Other Considerations

The following items could preclude eligibility of a CITF application:

1. The applicant's status on delinquencies or defaults on federal, state or local taxes, pending litigation or any other liens on any publicly or privately financed loan.
2. A felony conviction or other serious crime on behalf of any director or principal in a corporation, or partner in a partnership.
3. Non-compliance of an applicant with the Conflict of Interest requirements established by the State Ethics Commission.

VI. CITF FEES

A. Grants

1. **The grantee will be responsible for paying a 1% Origination Fee.**
2. The Origination Fee will be based on the amount of the grant. It will be due at the time of the first reimbursement request and will be paid out of the grant funds.
 - a. City of Pittsburgh projects may be required to be reviewed by the Pittsburgh Historic Commission. Grant applicants will be responsible to pay associated fees from their own funds.

- b. Renovation projects may require 3rd party architects/engineers to be engaged by RAAC to review designs that are submitted for funding. In such cases, grant applicants will be responsible for paying associated fees from their own funds.

B. Loans

- 1. The loan applicant will be responsible for the payment of the following fees:

Board Agenda Fee	\$250
Origination Fee	1.00%
Annual Administrative Fee	0.1%

- 2. The Board Agenda Fee is non-refundable and due when submitting a financing application to RAAC.
- 3. The Origination Fee is based on the original principal loan amount. This fee will be paid at the time of loan closing and must be paid by the borrower out of its own funds.
- 4. The Annual Administrative Fee is based on the original principal amount of the loan and due on each anniversary date of the loan as long as the loan is outstanding. The Annual Administrative Fee is to be paid in advance and is non-refundable in the event of loan prepayment. The Annual Administrative Fee due for the initial year of the loan term is to be paid at loan closing. All payments of the Annual Administrative Fee are to be made out of the borrower's own funds.
- 5. An applicant shall bear the cost of any and all expenses incurred in the preparation of loan documentation which shall be satisfactory to RAAC.

VII. PROCUREMENT OF GOODS AND SERVICES

- A. Competitive procurement requirements, including required advertising, are mandated as part of the general conditions for receiving CITF grant funds. Procurement procedures assure RAAC and the Commonwealth of Pennsylvania that:
 - 1. "Best Value" is achieved when using Gaming Economic Development and Tourism Funds
 - 2. The appearance of favoritism or fraud is eliminated
 - 3. The opportunity to compete for business opportunities are provided to a broad spectrum of firms operating in Allegheny County

B. Grantees and sub grantees will use the procurement procedures identified in this section except:

1. A grantee requests and receives permission from RAAC to use its own procurement procedures. The grantee procurement standards must reflect applicable State, local and Federal laws and regulations and conform to the standards identified in this section.
2. The grantee is a private entity
3. There are three types of procurement:
 - a. Small purchases
 - b. Quotes
 - c. Advertised Bids

C. Small Purchases

1. Bids whose total value is **less than** \$10,000 may make a small or negotiated purchase with a local vendor that is most advantageous to the grantee with price and other considerations being factors.
2. Although multiple price quotes may not be required it is still recommended to seek three (3) quotes. One of which should be a Minority, Women, Disadvantaged Business Enterprise (MWDBE) or Veteran Owned Small Business (VOSB) entity.
3. Quotes must be obtained in writing. The grantee must document who it contacted and the quote received.

D. Quotations

1. Bids whose total value is more than \$10,000 and less than \$30,000 may be awarded without advertising.
2. Grantees are required to solicit quotes from a minimum of three sources one of which must be a MWDBE or VOSB firm.
3. Quotes must be obtained in writing. The grantee must document who it contacted and the quote received.

E. Advertised Bids

- 1. Bids whose total value exceeds \$30,000 must be advertised.**
- 2. The advertisement shall be run twice and at least three days apart in a newspaper or general circulation. The second advertisement cannot be posted less than ten (10) days from the bid opening.**
- 3. Purchases and contracts shall not be divided into separate purchases and contracts to avoid the financial thresholds for the competitive purchasing process**

4. **The advertisement must contain all appropriate Local, State, and Federal language including the date, time, and place of the bid opening.**
5. **All bids must be publicly opened.**

F. Competitive Proposals

1. Procurement of professional services will not require formal advertising except where required by law.
2. Requests for proposals identify all evaluation factors and their relative importance
3. Proposals will be solicited from an adequate number of qualified sources;
4. Grantees and sub grantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
5. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

G. For-Profit Business

It is assumed that for-profit entities will procure goods & services in the most cost effective manner; therefore, there are no formal procurement requirements. However, it is strongly recommended that wherever possible the for-profit grant recipient bearing the financial risk of the project carry out procurement transactions in a manner that provides full and open competition. For significant procurement transactions, the for-profit should make an effort to *perform a cost price analysis* to determine price is reasonableness. The for-profit should consider one or more of the following analysis methodologies:

1. Compare current proposed prices to prior proposed prices for the same or similar items and/or services. Evaluation factors should include market changes or inflation since the last item or service was purchased.
2. Compare current proposed price to competitive price lists, published catalogs or market prices of products. Discounts, volume sales and/or rebate arrangements should be included in this analysis.
3. Independent professional price estimate and/or analysis.
4. When the for-profit grant recipient is seeking quotes from local vendors one of the three (3) vendors shall be a MWDBE firm.

H. Other Related Procurement Requirements

1. All CITF grant recipients are required to adhere to the **Pennsylvania Prevailing Wage Act** (this applies to for-profit, non-profit and local government) unless superseded by Davis Bacon Wages Rates. PA-Prevailing Wage requires prevailing minimum wages for all project workers. PA-Prevailing Wage rates will be provided by ACED compliance staff. Payroll certifications will be

reviewed by ACED compliance staff and kept on file for periodic monitoring from the Department of Labor & Industry, Division of Labor Law Compliance.

2. All grant recipients, including For-Profit Businesses, are required to follow the *Minority, Women and Disadvantaged Business Enterprise Participation Policy; Adoption & Program Implementation Strategy* requirements that was adopted by RAAC in 2008. Additionally, grant recipients are required to follow the applicable requirements in *Allegheny County's Minority and Women Enterprise Utilization Affirmative Action Requirements*.
3. **All grant recipients must notify the five (5) MWDBE referral agencies for each procurement activity that requires advertising.** *The current list will be provided by ACED staff.*
4. CITF grant recipients may, where authorized by law, use certified intergovernmental or cooperative purchasing plans when procuring goods and services provided said goods and services were procured in accordance with the standards listed in this section.
5. Formal procurement requirements can be waived under emergency conditions, upon approval from ACED staff. Verification of the emergency condition must be provided to ACED staff with any waiver requests. With respect to governmental applicants, the governing body of the local unit of government must ratify the emergency condition.
6. Local units of governments must follow their bonding requirements as specified in their municipal codes.
7. Local governments that are applying on behalf of a recipient should obtain a resolution stating they are working together.

VIII. FINANCING OF LOAN CLOSING COSTS

The Borrower may finance all or a portion of the closing costs of the CITF loan, including those incurred on behalf of RAAC's legal counsel, and any other professional which RAAC deems necessary to expedite the loan process. The Origination Fee and the initial Annual Administrative Fee may not be financed in this manner but rather must be paid at loan closing out of the Borrower's own funds.

IX. ELIGIBLE ACTIVITIES

Acquisition of land and buildings, rights of way and easements.

- A. The acquisition, construction, labor, and material associated with rehabilitating the following:
 1. Storm water drainage systems;

2. Sanitary sewer systems, including but not limited to, the construction or repair of sewage collection lines and sewage treatment facilities;
 3. Water supply facilities, including but not limited to, construction or repair of ground water sources, water lines and water storage and treatment facilities;
 4. Transportation facilities directly affecting the site of the proposed development including: on-site and off-site road improvements, traffic signals, parking facilities, inter-modal facilities, sidewalks, retaining walls, bridges, and rails; including but not limited to, the construction or rehabilitation of spurs, signals, and crossings. Also, port-related facilities, including but not limited to dredging, docking facilities, and bulkheads;
 5. Buildings
 6. On-site amenities, such as recreational areas, which are reasonably expected to increase the value or attractiveness of the site.
- B. Demolition of structures and removal of abandoned foundations.
- C. Grading and site preparation.
- D. Environmental site assessment and remediation.
- E. Predevelopment and planning activities that may be used to determine the feasibility of a project and/or obtain technical information related to a project. These types of costs include: predevelopment planning; marketing, physical, and financial feasibility assessments and projections; planning and engineering design and cost estimates and other work deemed by the RAAC as necessary to undertake a site-ready project.
- F. Engineering, design and inspection costs.
- G. Signage, landscaping and streetscape improvements.
- H. Any other costs associated with the preparation of a specific site of project at the discretion of the RAAC.

X. INELIGIBLE ACTIVITIES

- A. Fees for securing other financing.
- B. Interest charges on borrowed funds.
- C. Operating expenses such as salaries, wages, rent, utilities, moving expenses etc.
- D. Costs incurred prior to the approval of grant or loan (unless the applicant has received a *non-prejudicial approval* to commence work).

E. Distribution or payments to the owners, partners, shareholders or beneficiaries of the applicant, or members of their families as defined by the Ethics Act of the Commonwealth of Pennsylvania.

F. Refinancing existing debt.

G. Real estate speculation.

H. Municipal Vehicles.

I. Municipal Structures.

XI. AUDITING REQUIREMENTS

All CITF grant projects will require a **close-out audit** to be conducted upon complete draw-down of funds. All grants over \$100,000 will require an independent certified public account to perform a program audit and a minimum of \$2,500 must to be budgeted for the audit fee, while grants totaling \$100,000 or less will be audited by an Allegheny County auditor and will require a \$1,000 fee. Audits must be completed 180 days after the final disbursement is issued.

XII. WAIVER OF PROVISIONS

The RAAC may waive any of these Program Guidelines based upon a determination of the public benefits of the project and criteria established for the evaluation of CITF projects. For additional information regarding the Community Infrastructure and Tourism Fund, please call Gloria Redlinger, Contract Administrator at Allegheny County Economic Development at 412-350-1004 or G.Redlinger@alleghenycounty.us.