

PENNSYLVANIA STRATEGIC INVESTMENTS TO ENHANCE SITES (PA SITES) PROGRAM

A Component of the Pennsylvania First Program

Program Guidelines
September 2023



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Section I – Statement of Purpose

The **Pennsylvania Strategic Investments To Enhance Sites Program** (PA SITES) was established to provide grant funding to eligible applicants to develop competitive sites for businesses to relocate or expand within the Commonwealth. The program is administered by the Pennsylvania Department of Community and Economic Development (DCED) through the Pennsylvania First Program (PA First). PA First program grants are processed under the authority of Section 3 of the Act of May 10, 1939 (P.L. 111, No. 51), known as the Commerce Law.

The program is intended to serve as gap financing for strategic sites that need financial assistance to help reduce development risk for businesses. The grant funding is intended to help finance strategic investments that will enhance sites across the Commonwealth to effectively compete for expanding and relocating businesses. The program will help reduce development risk for businesses by timeline reduction from the development of public infrastructure or reducing unknown development costs.

Section II – Eligibility

A. Eligible Applicants

Any of the following entities may apply for a grant under the PA SITES Program:

1. **Municipality** – Any county, city, borough, incorporated town, township, or home rule municipality.
2. **An Economic Development Organization** – A nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community.
3. **Redevelopment Authorities**
4. **Municipal Authorities**
5. **Industrial Development Agencies**

For-profit businesses are not eligible to apply for the PA SITES Program. However, an eligible applicant may apply for a site owned and controlled by the eligible applicant or may apply in partnership with a private developer to develop critical public infrastructure for a privately owned site.

B. Eligible Projects

Eligible projects located within the Commonwealth and support the development of competitive sites:

1. **Previously Utilized Sites** – A project is eligible for funding if it redevelops, reuses, or revitalizes a previously utilized site for future use by businesses or others which is consistent with an existing comprehensive municipal plan, and the site is zoned for such development at the time of application. This includes but is not limited to a former or underutilized industrial, commercial, military, mining, railroad or institutional site or building. An institutional site includes, among other things, a former school or hospital.
2. **Undeveloped Sites** – An undeveloped site is eligible for funding if development of the site is consistent with an existing comprehensive county plan and/or an existing comprehensive municipal plan, and the site is zoned for such development at the time of application. If neither a comprehensive county plan nor a comprehensive municipal plan exists, then the applicant (if the applicant is not a municipality) must demonstrate that it has notified the county and municipal governing bodies with jurisdiction over the site that is the subject of an application for a construction grant.

C. Eligible Uses of Funds

1. Funds may be used for the eligible types of projects identified in Section B above to include:
 - a. Acquisition of land and buildings, rights of way, and easements
 - b. The construction or rehabilitation of the following:
 - i. Storm water drainage systems.
 - ii. Energy facilities that generate or distribute power, including but not limited to, natural gas and electric transmission lines.
 - iii. Sanitary sewer systems, including but not limited to, the construction or repair of sewage collection lines and sewage treatment facilities, including proration of costs for needed off-site facilities.
 - iv. Water supply facilities, including but not limited to, construction or repair of ground water sources, water lines, and water storage and treatment facilities, including proration of costs for needed off- site facilities.
 - v. Transportation facilities directly affecting the site of the proposed development including on-site and off-site road improvements; traffic signals; parking facilities; sidewalks; bridges; rails, including but not limited to, the construction or rehabilitation of spurs, signals, crossings, and intermodal facilities; and port-related facilities, including but not limited to, dredging, docking facilities, bulkheads, and intermodal facilities.
 - vi. Facilities for the transmission of information, including, but not limited to, telephone lines, fiber- optic telecommunications lines, and towers for wireless communications.
 - vii. On-site amenities, such as recreational areas, which are reasonably expected to increase the value or attractiveness of the site.
 - c. Demolition of structures and removal of abandoned foundations.
 - d. At the discretion of the department, funds may be provided for building rehabilitation if it can be shown that the potential for site reuse will be greater with an existing structure on site.
 - e. The clearing and preparation of land.
 - f. Environmental site assessment and remediation.

- g. Related engineering, design, and inspection costs. (Maximum of 10% of actual construction costs)
- h. Signage, landscaping, and street lighting.
- i. Administrative costs, permit fees, legal costs, and expenses for other professional services. (Not to exceed 2% of the grant amount)
- j. Any other costs associated with the preparation of a specific site, at the discretion of the department.

D. Ineligible Costs

- 1. Ineligible expenses include, but are not limited to:
 - a. Fees for securing other financing, interest charges on borrowed funds, refinancing of existing debt
 - b. Tap-in fees
 - c. Unpaid taxes or municipal liens
 - d. Lobbying services, fines or reparations resulting from lawsuits, citations, or regulatory actions
 - e. Costs incurred prior to the approval of the grant

Section III – Program Requirements

A. Matching Funds

Applications will be competitively evaluated based on the amount of matching funds invested into the project. To be eligible for a PA SITES grant, all other funding must be committed for the proposed project if selected for a post-application round review.

B. Site Control

Applicants must demonstrate control of the property that will be developed. The site will either need to be owned directly by the eligible applicant, or in the case of an eligible applicant working in partnership with a private developer, the private developer can own the site and provide access and control to the eligible applicant for constructing the improvements.

C. Job Creation / Capital Investment Requirements

Job creation and capital investment will be taken into consideration during the review process, including an evaluation of the grant funds per potential job being created.

D. Other Requirements

- 1. **Nondiscrimination**

No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the Commonwealth's official nondiscrimination clause.

2. Conflict of Interest Provision

An officer, director, or employee of an applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.

3. Project Records

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. Pennsylvania Prevailing Wage Act

The Pennsylvania Prevailing Wage Act (43 P.S. §165-1 et. seq.) may be applicable to a project funded under this program. Prevailing Wage requirements are generally applicable to grants for construction, reconstruction, demolition, alterations, repair work, renovations, build-out and installation of machinery and equipment more than \$25,000. If applicable, the applicant is responsible for including prevailing wage rates in all bid documents, specifications, and construction contracts pertaining to the project funded under this program. The Department of Labor and Industry (L & I) has final authority to make prevailing wage applicability determinations. Questions may be directed to (717) 787-3681.

5. Certification of Expenses

In lieu of a formal project audit and prior to final closeout of the agreement, the applicant shall be required to complete a Closeout Report and submit copies of all canceled checks verifying the expenditure of the proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

6. Worker Safety

Pursuant to Executive Order 2021-06, Worker Protection and Investment (October 21, 2021), the Commonwealth is responsible for ensuring that every Pennsylvania worker has a safe and healthy work environment and the protections afforded them through labor laws. To that end, contractors and grantees of the Commonwealth must certify that they are in compliance with all applicable Pennsylvania state labor and workforce safety laws. Such certification shall be made through the Worker Protection and Investment Certification Form (BOP-2201) and submitted with the bid, proposal or quote.

Section IV – Grants

1. There is no maximum or minimum grant amount. However, grant awards will be subject to availability from the annual funding appropriation.
2. Applicants must demonstrate the need for the assistance and that the project can be completed with these funds.
3. Commencement of work prior to receiving DCED approval will result in the project being ineligible for consideration.
4. To be eligible for reimbursement, project costs must be incurred within the timeframe established by the grant agreement.

Section V – Application Process

A. Application Procedures

1. An eligible applicant must apply for each proposed project. Award decisions will be made in a two-tiered review format. The initial applications will be reviewed and DCED will then invite a limited number of competitive applicants to submit additional detailed project information for final consideration.
2. To apply, the applicant must submit the on-line Department of Community and Economic Development Electronic Single Application for Assistance located at dc.ed.pa.gov/singleapp. Required addenda outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405.
3. Application proposals are received between September 26, 2023 and November 8, 2023. All proposals and required application supplemental information must be electronically submitted by close of business on November 8, 2023.
4. DCED will review the application proposals and invite a limited number of the most competitive proposals to submit additional detailed project information as outlined in Appendix III. Applicants will be required to submit the additional information within 60 days of invitation.

B. Application Evaluation

Projects will be competitively evaluated. Evaluation may consider:

- Feasibility of the proposed development.
- Marketability of the site once developed.
- Need for developed business-ready sites in the community or immediate area.
- Relative impact the project will have on the community, region, and state.
- Increased employment opportunities to be realized in the surrounding community.
- Level of matching funds invested.
- Proposed timeframe for commencement and completion of the project.
- Identification of the project as a priority investment in a local or regional economic development plan.

Section VI – Procedures for Accessing Funds

Upon final approval of an application by DCED, a grant agreement and commitment letter will be electronically issued by DCED to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles, and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to DCED within 30 days of the date of the commitment letter or the offer may be withdrawn by DCED.

One fully executed copy of the grant agreement will be returned to the applicant with a payment request form and instructions for requesting payment. Requests for payment must be submitted to the Department on the payment request form provided by the Department and must be accompanied by invoices and/or other documentation verifying costs incurred by the applicant. Properly submitted payment request forms require at least 45 days for processing and payment issuance. All payment requests must be signed by two officials of the applicant.

Section VII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Center for Business Financing – Grants Office
Pennsylvania Strategic Investments To Enhance Sites Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245
e-mail: ra-dcedcbf@pa.gov

Appendix I – Application Addenda

In addition to completing the Department of Community and Economic Development Single Application for Assistance, please include the following items when applying for the Pennsylvania Strategic Investments To Enhance Sites Program:

Exhibit 1: Project Description

Provide a description of the project which discusses the following:

- a. a detailed description of the proposed project;
- b. the specific location of the site and site characteristics such as the acreage or square foot of the site;
- c. any characteristics of the area in which the site is located that demonstrate a need for economic development;
- d. whether the proposed development of the site is consistent with an existing county comprehensive plan and, in case of an undeveloped site, with an existing municipal comprehensive plan (include current zoning for the site);
- e. the historical and proposed use of the site;
- f. the specific infrastructure and site development activities proposed for the site;
- g. the estimated construction period if approved for funding;
- h. the existence or absence of already prepared sites within the county;
- i. whether the site has been identified as a priority investment in a local or regional economic development plan or strategy and a description of any private financing committed to the project;
- j. the potential employment opportunities to be realized as a result of the project;
- k. whether the site is being developed to target specific industries and a description of those targeted industries; and
- l. other potential benefits the project will bring to the community or region in which it is located.

Exhibit 2: Ownership of the Site

Provide information regarding the current ownership of the site.

- a. If the applicant owns the site, provide evidence of ownership.
- b. If working with a private developer that owns the site, provide written support from the private developer indicating their desire to work with the applicant to complete the project.
- c. If land is being acquired as part of the project, provide a signed letter of intent or an executed sales agreement.

Exhibit 3: Sources and Uses of Funds

Complete a Sources and Uses sheet as shown in Appendix II.

Exhibit 4: Color-Coded Map

Provide a map detailing the location of the site, including subdivision, property boundaries, and proposed infrastructure.

Appendix II – Sources and Uses Sheet

Sources & Uses of Funds

SOURCES OF FUNDS

Investment of Cash by Owner (equity)	_____
Requested Grant from PA SITES	_____
Bank Loan - Long Term	_____
Other Private/Public Financing	_____
Total Sources of Funds	\$ _____

USES OF FUNDS

Land	_____
Building	_____
Infrastructure	_____
Demolition	_____
Engineering	_____
Other:	_____
Total Uses of Funds	\$ _____

Appendix III – Supplemental Information

*****NOTE: These items are not to be included with the initial application.*****

DCED will review the applications and invite a select number of the most competitive proposals to submit the additional detailed information as outlined below within 60 days of the invitation being sent:

Supplemental Item 1: Feasibility / Marketing Analysis

A feasibility/marketing analysis for the project conducted by an independent third party and which includes all information on competing sites, economic trends of the market area, absorption rates, etc.

Supplemental Item 2: Cost Estimate

A statement as to the estimated cost of the project. The estimate must be prepared by an engineer or other qualified professional and should be accompanied where appropriate by copies of the signed bids/quotations, contractor estimates, or sales agreements that verify project cost estimates.

Supplemental Item 3: Funding Commitments

Provide applicable funding commitments from all other project funding sources (including equity commitments).

- a. Funding commitments or term sheets provided by lending institutions must include the term, rate, and collateral conditions, and must be signed and dated.
- b. Funding commitments of equity from the applicant or private third party must be signed and dated (indicating the amount of funds being committed) and be accompanied by documentation (such as audited financial statements) showing the ability to commit such funds.

Supplemental Item 4: Financial Statements

The most recent financial statements of the applicant and any private developer partners. Financial statements should include balance sheets, income statements, and notes to financials.

Supplemental Item 5: Projected Cash Flow Analysis

A projected cash flow analysis which includes all expenses and revenues covering the period from project commencement through lease-up/build-out and/or sale of the property.

Supplemental Item 6: Land Acquisition Documents

If applying for acquisition funds, provide an appraisal prepared by either a Member, Appraisers Institute (MAI) formerly Institute of Real Estate Appraisers (MAI) or a PA State Certified Appraiser, completed in such a way that it provides the “As Is” appraised value of the site. The appraisal must be no more than one year old. Applicants will also need to provide a copy of the executed sales agreement or easement.

Supplemental Item 7: Planning Letter

A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans and zoning and subdivision codes.

Supplemental Item 8: Resolution

For public sector applicants, provide a resolution duly adopted by the applicant’s governing board formally requesting the grant, designating an official to execute all documents, briefly describing the project scope, and identifying the grant amount (see Appendix IV for a sample resolution).

Appendix IV – Resolution

Be it RESOLVED, that the _____ (Name of Applicant) of _____ (Name of County) hereby request a Pennsylvania Strategic Investments To Enhance Sites Grant in the amount of \$_____ from the Department of Community and Economic Development of the Commonwealth of Pennsylvania to be used for _____.

Be it FURTHER RESOLVED that the Applicant does hereby designate _____ (Name and Title) and _____ (Name and Title) as the official(s) to execute all documents and agreements between the _____ (Name of Applicant) and the Pennsylvania Department of Community and Economic Development to facilitate and assist in obtaining the requested grant.

I, _____, duly qualified Secretary of the _____ (Name of Applicant), _____ (Name of County), PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the _____ (Governing Body) at a regular meeting held _____ (Date) and said Resolution has been recorded in the Minutes of the _____ (Applicant) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the _____ (Applicant), this ____ day of _____, 20__.

Name of Applicant

County

Secretary