Pipeline Investment Program

Program Guidelines

November 2016
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Section I – Statement of Purpose

A. Introduction

To fully realize the benefits of Pennsylvania’s vast energy resources, it is critical to make low-cost natural gas energy available to Pennsylvania’s residents, manufacturers, and pad-ready sites. Manufacturers will have a significant competitive advantage in production costs and Pennsylvania communities will be able to attract new manufacturing enterprises with readily available access to natural gas. The creation of the Pipeline Investment Program (“PIPE”), to construct the last few miles of distribution lines to business parks and existing manufacturing and industrial enterprises, will hasten beneficial deployment of low-cost energy and will result in the creation of new economic base jobs in the commonwealth while providing access to natural gas for residents. The Commonwealth Financing Authority (the “Authority”) shall provide grants through PIPE to applicants for construction of natural gas pipeline projects. These guidelines outline eligibility requirements, as well as the procedures to apply for and receive funding under the program.

Section II – Eligibility

A. Eligible Applicants

1. Economic Development Organizations – A nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community.

2. Businesses – A corporation, partnership, sole proprietorship, limited liability company, business trust or other commercial entity approved by the Commonwealth Financing Authority.

3. Municipalities – Includes any city, township, borough, town, county, or a home rule municipality.

4. Hospitals – An entity licensed to provide inpatient care and services under either the Public Welfare Code or the Health Care Facilities Act.

5. School Districts

B. Eligible Project Costs

1. Funds may be used for costs associated with extending natural gas pipelines to serve eligible applicants. Eligible costs include:

   a. Acquisition of land, rights of way, and easements necessary to construct a natural gas pipeline and related appraisal and transaction costs.

   b. Construction of natural gas pipelines.

   c. Clearing and preparation of land necessary to construct a natural gas pipeline.

   d. Engineering, design, and inspection costs related to a construction project, which shall not exceed 10% of the grant award.
e. Administrative costs of the applicant to administer the grant. Administrative costs include advertising costs, legal, as well as documented staff expenses.

f. Project contingencies associated with the construction project are limited to 5% of the actual construction costs. No other contingencies shall be included as eligible project costs.

2. Ineligible costs include, but are not limited to: fees for securing other financing, interest on borrowed funds, refinancing of existing debt, lobbying, fines, application preparation fees, and costs incurred prior to the approval of PIPE grant funds.

Section III – Program Requirements

A. Matching Funds

An eligible applicant shall provide matching funds of not less than 50% of the total project cost.

B. Planning and Permit Requirements

All recipients of funding for construction projects where federal, state, or local planning or permit approvals are required, must state in the application that the project will secure the necessary planning and permit approvals for the project prior to beginning construction. The applicant must document in the application that the project generally is in compliance with any applicable county or local comprehensive plans as evidenced by a letter from the appropriate local planning agency.

C. Other Requirements

1. Bidding Requirements

Applicants must comply with all applicable federal, state and local laws and regulations dealing with bidding and procurement. At a minimum, applicants will be required to solicit competitive bids for work that will be conducted with PIPE grant funds.

2. Conflict of Interest Provision

An officer, director or employee of an applicant who is a party to, or who 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. Nondiscrimination

No assistance will be awarded to an applicant under this program unless the applicant certifies to the Authority that they shall not discriminate against any employee or against any person seeking employment because of race, color, handicap, national origin, age, or sex. All contracts for work to be paid with PIPE assistance must contain the commonwealth’s official nondiscrimination clause.

4. 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 Authority 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 Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.
5. **Certification of Expenses**
   The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the Authority. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the Pipeline Investment Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

6. **Proof of Notification**
   The applicant must provide proof that the county and host municipality, or municipalities, have been notified about the intended project.

7. **Guideline Provisions**
   These guideline provisions may be modified or waived by the Authority unless otherwise required by law.

8. **Pennsylvania Prevailing Wage Act**
   All, or a portion of, the construction work associated with the project may be subject to the Pennsylvania Prevailing Wage Act, as determined by the Pennsylvania Department of Labor & Industry. It is the responsibility of the Applicant to ensure that the Pennsylvania Prevailing Wage Act is followed if applicable.

**D. Fees**

   The Authority charges a $100 non-refundable application fee for applications due at the time of submission.

**Section IV – Grants**

1. The maximum grant amount of any Pipeline Investment Program project shall not exceed $1 million or 50% of the total project costs, whichever is less.

2. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.
Section V – Application Procedures

A. Application Procedures

To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at www.esa.dced.state.pa.us. Required supplemental information 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. Once submitted, please print one (1) copy of the application, including the required supplemental information, and mail to:

PA Department of Community and Economic Development
Office of Business Financing – Site Development Division
Pipeline Investment Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Please reference the application ID number on any documents sent with the signature page.

Section VI – Application Evaluation

Pipeline Investment Program applications will be evaluated on the following criteria:

1. Whether the project will result in adjoining residential and nonresidential properties obtaining natural gas.
2. The number of jobs created and/or retained.
3. The quality of the jobs created and/or retained as reflected in the average wage threshold.
4. Whether the project is located in an area with a particular need for economic development, as shown by high unemployment, declining population, a significant inventory of brownfields or vacant housing, low to moderate household income, or other indicators established by the Authority.
5. Whether the project uses a previously utilized site.
6. Whether there is a high level of local support for the project as evidenced, at a minimum, by the presence of local matching funds for the project.
7. Whether the project will commence within 90 days of the Authority’s approval.
8. The strategic importance of the project to the region.
Section VII – Procedure for Accessing Funds

Following approval of an application by the Authority, a grant agreement and commitment letter will be issued by the Authority to the applicant explaining the terms and conditions of the grant. The grant agreement and commitment letter must be signed and returned to the Authority within 45 days of the date of the commitment letter or the offer may be withdrawn by the Authority.

The applicant shall obtain the services of a professional engineer licensed in Pennsylvania who will certify to the Authority during construction that the expenses were incurred and were in accordance with the plans approved by the Authority. The Authority will release funds to the applicant at not less than 30-day intervals.

Section VIII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community & Economic Development
Office of Business Financing – Site Development Division
Pipeline Investment Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA  17120-0225

Telephone: (717) 787-6245
Fax: (717) 772-3581
E-mail: ra-dcedsitedvpt@pa.gov

These guidelines can also be accessed online at dced.pa.gov
Appendix I – Supplemental Information for the Single Application for Assistance

In addition to completing the on-line DCED Single Application for Assistance, please include the following items when applying:

**Exhibit 1:** Provide a description of the project which discusses all of the following: a) the specific location of the eligible applicant facility to be served by the pipeline; b) site characteristics such as the useable acreage and buildable square footage of the site if the pipeline is proposed to serve a business park or spec building; c) whether the proposed development of the site is consistent with an existing county comprehensive plan and, in the case of an undeveloped site, with an existing municipal comprehensive plan; d) the historical and proposed use of the site; e) ownership of the pipeline infrastructure; f) the number of residential units, public facilities, and/or businesses to be served by the pipeline; g) the estimated start and end dates of construction; h) and the potential employment opportunities to be realized as a result of the project.

**Exhibit 2:** 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.

**Exhibit 3:** Funding commitment letters from all other project funding sources if applicable (including equity commitments). Letters should include the term, rate, and collateral conditions, and must be signed and dated.

**Exhibit 4:** A color-coded map or plot plan detailing the location of the infrastructure.

**Exhibit 5:** The most recent financial statements of the Applicant or parent company (if for-profit applicant). Financial statements should include balance sheets, income statements, and notes to financials.

**Exhibit 6:** 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.

**Exhibit 7:** 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, describing briefly the project scope, and identifying the grant amount. (see Appendix II for a sample resolution).

**Exhibit 8:** Provide copies of notifications provided to county and municipal governing bodies advising them of the proposed project.

Send the completed attachments to:
Department of Community & Economic Development
Office of Business Financing – Site Development Division
Pipeline Investment Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

If you have any questions on completing the application, please call the Office of Business Financing at (717) 787-6245.
Appendix II – Authorized Official Resolution

Be it RESOLVED, that the ____________________________ (Name of Applicant) of __________________________ (Name of County) hereby request a Pipeline Investment Program grant of $________________ from the Commonwealth Financing Authority 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 Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, _________________________________, duly qualified Secretary of the ____________ (Applicant), 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