

TRANSIT REVITALIZATION INVESTMENT DISTRICT (TRID) FUND GRANT

Program Guidelines | April 2017

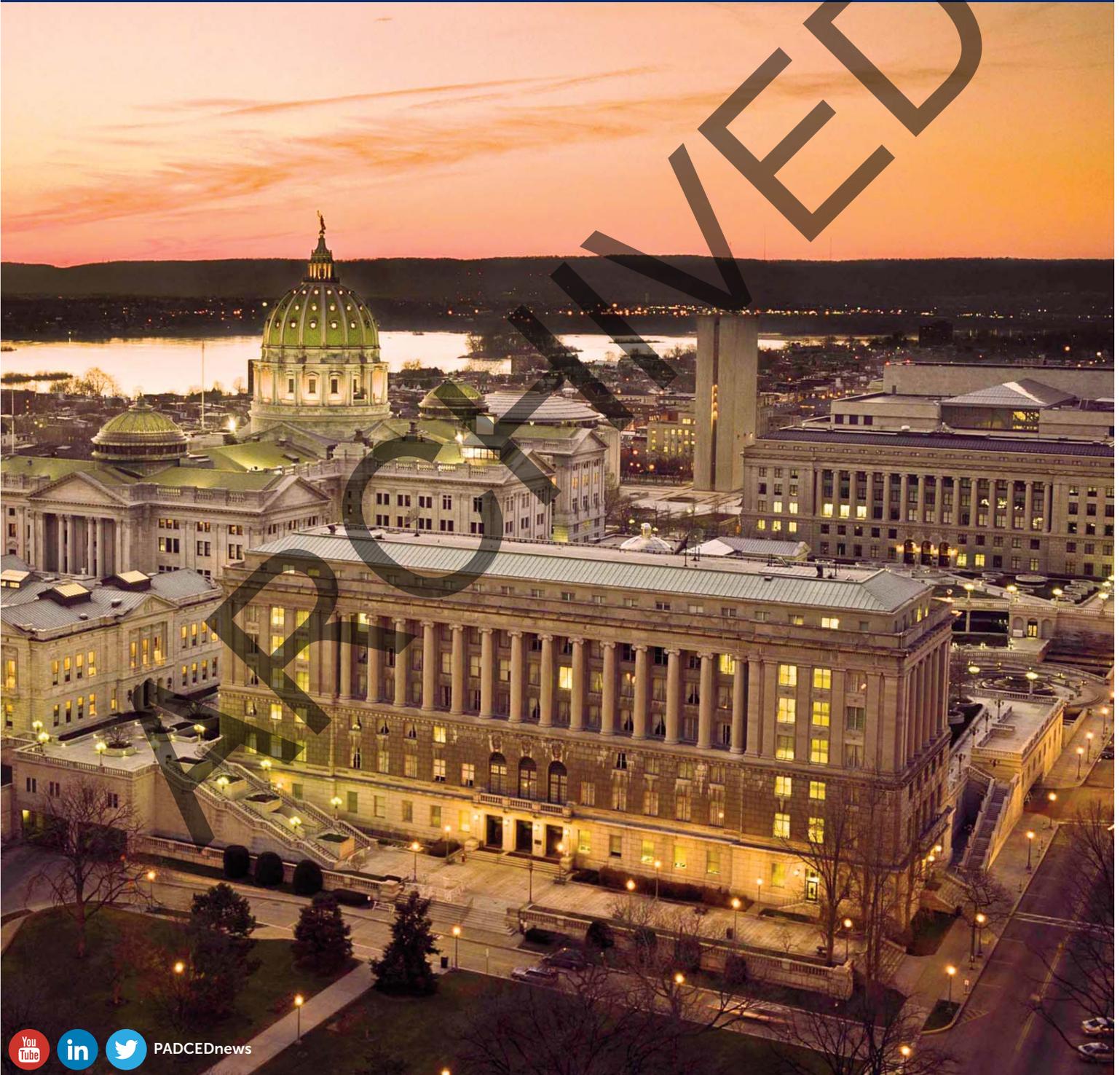


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Section I – Introduction

The TRID (Transit Revitalization Investment District) Fund makes state funds available for eligible projects within a Transit Revitalization Investment District. Eligible projects include development or infrastructure improvements within a TRID, or payment of debt incurred to finance an eligible project.

The Transit Revitalization Investment District Act (Act No. 238, approved December 8, 2004, P.L. 1801, as amended by Act No. 157, approved November 4, 2016, P.L. 1160, the “Act”) enables municipalities and counties to create Transit Revitalization Investment Districts (TRIDs) to promote improvements and development at and around public transit stations. A TRID may include area within 3/4 mile of a stop or station on a public transit system. The Act authorizes municipalities, counties, and school districts to use incremental tax revenues generated by new real estate investment within the TRID for completion and maintenance of infrastructure supporting the TRID. Incremental tax revenues can be captured for up to 20 years. The TRID Fund was created to supplement local TRID revenues and enhance the fiscal feasibility of TRID projects.

To create a TRID, a planning study must be undertaken and an agreement must be entered into by the municipality creating the TRID and the public transit agency serving the TRID. The agreement must designate a management entity to administer the TRID. The establishment of the TRID and its boundaries is done by ordinance.

The TRID Act can be found at:

<http://www.legis.state.pa.us/cfdocs/Legis/LI/uconsCheck.cfm?txtType=HTM&yr=2004&sessInd=0&smthLwInd=0&act=0238>.

II – Funding

Two applications that have met all requirements of these guidelines and the Act will be approved to receive annual TRID Fund Grants for up to 20 years. Annual grants will be up to \$350,000 for each of the two approved applicants.

III – Eligibility

A. Applicants

A TRID management entity is eligible to apply for TRID Fund grants. A management entity is the organization officially designated to administer, manage, and facilitate implementation of a TRID. A management entity may be:

1. A municipality, county, or public transportation agency which is a participant in the TRID.
2. A redevelopment authority, municipal authority, neighborhood improvement district management association, business improvement district, or a similar governmental or nonprofit organization authorized to act in a manner consistent with the TRID planning study and with a services area compatible with the TRID.

B. Purpose

TRID Fund grants are to be used for the purposes of funding an eligible project or for covering debt service payments related to debt incurred to fund an eligible project.

An eligible project is defined as development or improvement within a TRID, including construction, infrastructure and site preparation, reconstruction or renovation of a facility within a TRID which will result in economic development or transit-oriented development in accordance with the TRID and the TRID planning study.

C. Costs

TRID Fund grants may only be utilized for the following:

1. Payment of debt service on bonds issued for the construction, including related infrastructure and site preparation, reconstruction or renovation of a facility in the TRID.
2. Construction, including related infrastructure and site preparation, reconstruction or renovation of all or a part of a facility.
3. Replenishment of amounts in debt service reserve funds established to pay debt service on bonds.
4. Improvement or development of all or part of a TRID.
5. Improvement projects, including fixtures and equipment for a facility owned by a public authority.

D. Restrictions

1. A person who is a staff, board, or other member of the applicant management entity may not receive money directly or indirectly from the TRID Fund.
2. Pennsylvania Prevailing Wage Act:
All, or a portion, of the construction work associated with the TRID 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 management entity to ensure that the Pennsylvania Prevailing Wage Act is followed if applicable.

IV – Program Requirements

A. Match

The amount of TRID Fund grants utilized for the construction, including related site preparation and infrastructure, reconstruction or renovation of facilities, shall be matched by other sources of funding at a ratio of two TRID Fund dollars to one private dollar.

Credit of matching funds – For the purposes of meeting the matching funding requirement, the management entity may demonstrate that a multiyear eligible matching funding investment was made in a particular year. In subsequent years, the management entity shall refer to the gross matching fund investment in the year it was established and carry forward a credit in an amount of the original investment minus the funds already applied as a matching fund requirement, up to the remaining matching funds.

Example: A TRID development project includes \$3 million in public improvements to a transit station and roads and sidewalks connecting the station, and a \$10 million private development including retail and housing units built adjacent to the station in year one of the TRID. The public improvements are being financed with debt-service payments totaling \$350,000 per year for 10 years using annual TRID Fund grants. The match requirement is met because the \$10 million private investment may be credited over the 10 years of the public improvement financing, and \$1 million per year of private investment is more than two times the \$350,000 per year in TRID Fund grant payments.

Deduction – If it is determined that insufficient match funding from other sources was utilized, the amount of under-matched TRID Fund money in the prior calendar year shall be deducted from the next-year grant to the management entity.

B. Excess Money

If the amount of money granted to a management entity in any one calendar year exceeds the amount of money utilized for eligible and approved uses in that calendar year, the management entity shall submit by January 15, following the end of the calendar year, the excess money to the State Treasurer for deposit into the General Fund.

At the time of submission to the State Treasurer, the management entity shall submit to the State Treasurer, the Office of the Budget, and DCED a detailed accounting of the calculation resulting in the excess money.

V – Applications

A. Process

TRID Fund grant applications must be submitted using DCED's on-line Single Application.
<http://dced.pa.gov/how-to-apply/>

In addition to the information and narratives required by the Single Application, the following information must be submitted with the Single Application:

1. A resolution from the applicant's governing body authorizing submission of the application.
2. A signed letter from the applicant certifying that the TRID Planning Study has been completed as a prerequisite to creation of the applicant's TRID. Include in the letter a URL for the study if it is available on line.
3. A copy of the agreement between the municipality creating the TRID and the public transit agency serving the TRID, as specified in Section 302 of the TRID Act.
4. A project plan that includes the following:
 - a. A description and estimate of costs of all proposed public works or improvements, and proposed development, public and private, that constitute an eligible project to be funded in multiple years by TRID Fund grants.

- b. A description of the methods of financing all estimated costs of the project described in a. and the time when related costs or monetary obligations are to be incurred. Information must include the amount and use of State TRID Fund grants for the project, and specify for which of the eligible uses in Section 806 of the TRID Act TRID Fund grants will be used. State TRID Fund grant use must be projected annually for a period not to exceed the time specified in the TRID Act in which the TRID Fund will be available. Information must indicate that the match requirement will be met annually.
- c. A map showing TRID boundaries and the area included within.
- d. A map showing proposed public works or improvements, and proposed development, private and public, included in the project.
- e. A narrative which expresses the economic feasibility of the project and establishes the need for TRID Fund grants.

B. Schedule

The Department of Community and Economic Development (DCED), in consultation with the Office of the Budget, has responsibility to review and approve TRID Fund applications.

DCED will follow the below application approval schedule:

- May 1, 2017 – Open the application period for TRID Fund grants.
- July 1, 2017, 5:00 PM – Deadline for submission of applications.
- August 1, 2017 – Approve two applications for TRID Fund grants.

VI – Administration

Annual Report – By April 1, following year one of a TRID project, and for each year thereafter, the management entity shall file an annual report with DCED and the Office of the Budget that describes the project activities undertaken in the prior calendar year, and contains a detailed account of the TRID Fund money expenditures and the expenditures of funds from other sources and a calculation of the required match ratio for the prior calendar year. The agencies shall determine whether sufficient funding from other sources was utilized.

Payment Request – Along with the annual report, the management entity shall submit an annual grant payment request to DCED. The request shall be in a form suitable to DCED and shall describe the project activities being undertaken in the current calendar year, and the projected TRID Fund grant expenditures and the expenditures of funds from other sources and a calculation of the required match ratio for the current calendar year.

Payment – Following June 1 each year during the life of a TRID Fund grant project, and upon being satisfied that all TRID Fund grant requirements have been met including private dollar match, DCED will notify the State Treasurer to issue a grant in the amount requested by the management entity not to exceed \$350,000.

Audit – After the third calendar year of TRID Fund grants and following each additional three calendar years thereafter during the life of a TRID Fund grant project, the management entity shall provide a project audit with the annual report. The project audit must be done in accordance with the DCED Closeout Guidelines for Grants and Tax Credits.

Project Records – The applicant management entity must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the TRID project. DCED 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, the applicant management entity must furnish all data, reports, contracts, documents, and other information relevant to the TRID project.

VII – Conflict of Interest Provision

An officer, director, or employee of an applicant management entity who is a party to or has a private interest in a TRID 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 management entity concerning the TRID project, nor participate in the deliberations of the applicant management entity concerning the TRID project.

VIII – Nondiscrimination

No assistance shall be awarded to an applicant management entity under this program unless the applicant management entity certifies that the applicant management entity 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 commonwealth funds must contain the commonwealth's official nondiscrimination clause.

IX – Program Inquiries

Program and technical assistance inquiries should be directed to:

Department of Community and Economic Development
Governor's Center for Local Government Services
TRID Fund
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: 412-770-1660
Email: dpuko@pa.gov