Title 6: Economic Development

Part 11: Mississippi Gulf Coast Restoration Fund Grant Program

Chapter 1: GCRF Section 7 Grant Program Rules & Regulations

Rule 1.1 Program Objective.

A. The Mississippi Gulf Coast Restoration Fund (GCRF) Grant Program administered by the Mississippi Development Authority (MDA), is designed for making grants to finance projects to promote economic growth in the Gulf Coast region as defined by the federal RESTORE Act, or twenty-five (25) miles from the northern boundaries of the three (3) coastal counties of Harrison, Hancock, and Jackson, but not to expand beyond the boundaries of Hancock, Harrison, Jackson, Pearl River, Stone, and George counties. If a county is included in the coastal zone, then the county seat and the land lying to the east, west, and south within that county would be considered a part of the coastal zone.

B. The Mississippi Gulf Coast Restoration Fund Grant Program is authorized under Miss. Code Ann. § 57-119-1, *et seq.* (the "Act"). Funding for grants to eligible applicants is derived from appropriations or funds otherwise made available by the State Legislature.

C. Section 7 of the Act requires an application by an eligible applicant which will be compiled and scored by MDA, with advice from the Gulf Coast Restoration Fund Advisory Board. MDA's recommendations will be presented to the Legislature no later than December 1 of each year. The Legislature shall determine the projects that will be funded in an upcoming appropriation bill.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.2 Eligible Applicants. Eligible applicants include, but are not limited to, local units of government, nongovernmental organizations, institutions of higher learning, community colleges, public schools, ports, airports, public-private partnerships, private for-profit entities, private non-profit entities, and local economic development entities.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.3 Eligible Projects. The intent of the Act is to stimulate growth and economic development in Pearl River, Stone, George, Jackson, Harrison, and Hancock counties. The GCRF Grant program is designed to support projects that will impact the competitiveness of these coastal counties and have a significant economic benefit on the region. Per the Act, projects must have the potential to generate increased economic activity in the region. The Act directs MDA to give priority to projects that meet the following criteria:

A. Projects that will impact the long-term competitiveness of the region and may result in a significant positive impact on tax base, private sector job creation and private sector investment in the region;

B. Projects that demonstrate the maximum long-term economic benefits and long-term growth potential of the region based on a financial analysis such as a cost-benefit analysis or a return-on-investment analysis;

C. Projects that demonstrate long-term financial sustainability, including clear performance metrics, over the duration of the project;

D. Projects that leverage or encourage leveraging of other private sector, local, state and federal funding sources with preference to projects that can demonstrate contributions from other sources than funds from the BP settlement;

E. Projects that are supported by multiple government or private sector entities;

F. Projects that can move quickly and efficiently to the design, engineering, and permitting phase;

G. Projects that enhance the quality of life/place and business environment of the region, including tourism and recreational opportunities;

H. Projects that expand the region's ability to attract high-growth industries or establish new high-growth industries in the region;

I. Projects that leverage or further enhance key regional assets, including educational institutions, research facilities, ports, airports, rails, and military bases;

J. Projects that are transformational for the future of the region but create a wider regional impact;

K. Projects that enhance the marketability of existing industrial properties;

L. Projects that enhance a targeted industry cluster or create a Center of Excellence unique to the region;

M. Infrastructure projects for business retention and development;

N. Projects that enhance research and innovative technologies in the region; and

O. Projects that provide outcome and return on investment measures, to be judged by clear performance metrics, over the duration of the project or program.

Source: Miss. Code Ann. § 57-119-1, et seq.

Rule 1.4 Approval Process for Section 7 Grants. MDA, with advice from the Gulf Coast Restoration Fund Advisory Board, shall review, compile, and score all timely received applications submitted under Section 7 of the Act and shall present the applications and its recommendations for assistance to individual projects under Section 7 to the Legislature no later than December 1 of the year. The Legislature shall determine individual projects that will be funded by separate line items in an upcoming appropriation bill.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.5 Match Requirements. GCRF assistance may not be used to finance one hundred percent (100%) of the cost of any project; however, this limitation shall not apply to projects for public schools. All applicants, excluding public schools must provide a match of at least twenty percent (20%) of the total project costs from non-State funds. Direct project costs accrued on or after April 20, 2010, the date of the Deep Horizon disaster, are eligible as matching funds if they meet the other match requirements and can be documented by the recipient as to how much and when the money was spent. In-kind services cannot count toward the twenty percent (20%) match requirement; however, they are eligible to utilized for matching funds more than the twenty percent requirement.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.6 MDA Administrative Costs. MDA reserves the right to recover from applicants and recipients of GCRF funds a portion of the costs associated with administering assistance provided under the Act.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.7 General & Administrative Costs ("Soft Costs"): GCRF funds may pay for professional services (architectural/engineering fees, feasibility studies, geotechnical, permitting), property acquisition services (appraisal fees, land surveys), legal fees, loan fees, project management, advertising, marketing and PR fees; however, the allowable amount is limited to ten percent (10%) of GCRF funds. GCRF funds may not be used to pay grant administration costs, salary, wages or fringe costs, travel costs, or consulting costs.

Rule 1.8 Registering with the Secretary of State. All business applicants must be licensed to do business in the State by the Secretary of State's Office, as required by state statute.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.9 Mississippi Employment Protection Act. All grant recipients entering into grant agreements with the Mississippi Development Authority must represent and warrant that they will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the E-Verify System, the federal employment status verification system, of all newly hired employees.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

1.10 Repayment of Funds. Grant Agreements executed by MDA shall have provisions for the repayment of funds by eligible applicants if the grant provided by MDA was based upon fraudulent information provided by the applicant or the applicant fails to meet performance metric requirements as described in the grant agreement.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.11 Submitting Applications for Funding under Section 7. Applications for funding under Section 7 of the Act must be submitted to MDA via web portal prior to the application deadline each year. The web portal will be made available on MDA's website (www.mississippi.org) and will clearly state the application portal submission dates. Submitted applications must include a completed application and all necessary supporting documentation submitted in Portable Document Format (.pdf) via the web portal. Applications will not be accepted after the portal has closed for any given year; MDA will not accept applications submitted outside of the web portal.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.12 Application Requirements. The portal application will include the following:

A. The name, address, and contact information of the applicant and the benefiting entity, if different;

B. A detailed description of the project and a narrative explaining how the project relates to the statutory priorities of the Act;

C. Current employment levels at the project site and an estimated increase, if any, as a result of the project (if applicable);

D. A description of the applicant's investment in the project and all public and/or private sources of funding that have been secured and that will be utilized exclusively for the project;

E. Cost estimate: a cost estimate must be submitted by an engineer, architect, or appropriate official;

F. Timeline for implementation and completion of the project;

G. Budget sheet;

H. Project Maps and/or Construction Drawings, if applicable;

I. Executed copy of the local unit of government's resolution of authorization to apply for grant funds (if the applicant is a public entity);

J. Executed copy of the local unit of government's resolution committing matching funds to the project (if the applicant is a public entity);

K. Documentation of additional funds, if applicable (all matching funds must be committed and in place with documentation at the time of application);

L. Supporting documentation, such as pictures, company commitment letters, letters of support from stakeholders, etc., if applicable;

M. Proof that E-Verification systems are in place, if applicable;

N. Proof of Secretary of State Status, if applicable.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.13 Application Review Process: Following the closure of the web portal, MDA will review, compile and score all applications and attachments submitted through the portal. MDA will provide all project information to the GCRF Advisory Board for its review and will take its recommendations on projects prior to MDA submitting its recommendation to the Legislature no later than December 1 of the year.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.14 Award Process. Upon GCRF funds being appropriated by the legislature, MDA will request project information for all appropriated projects. Once a completed project information packet is received and approved by MDA, a binding grant agreement will be executed between the Mississippi Development Authority and the recipient for the specific amount awarded and for the particular activity appropriated by the Legislature. Construction may not begin prior to an effective grant award date. Any expenses incurred before January 1 of the year a project is first appropriated will not be reimbursed by MDA.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.15 Procurement. All contracts and purchases must be made in accordance with normal bid and purchase laws of a local unit of government or other public entity if the grant is for a public purpose.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.16 Minority and Women Owned Business Enterprises. MDA encourages the maximum opportunity for increased participation by minority and women-owned business enterprises in the procurement of goods and services. MDA's Minority Business Division and the Mississippi Procurement Technical Center can assist with minority and women-owned business enterprise outreach efforts. See www.mmbr.org or www.mscpc.com for more information.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.17 Disbursement of Funds.

A. All funds awarded must be spent for improvements within the scope of the project description as stated in the project information packet.

B. MDA will reimburse applicants for eligible costs incurred for the project.

C. All funded projects are required to begin within 12 months of the award date. Where the project has not commenced within 12 months, the applicant must satisfactorily demonstrate that the project is proceeding or the award may be de-obligated.

D. Recipients will have one (1) year to request reimbursement for GRCF funds, with an expiration of June 30th of the following year after appropriation. All open projects will be subject to reappropriation by the Legislature in subsequent years until the project is complete.

E. Invoices, proof of payment and other documentation must be submitted with the Request for Cash form for funds to be disbursed. A copy of the Request for Cash form and detailed instructions for submitting payment requests will be provided after the grant agreement is executed.

F. All forms submitted must be accurately completed or the request cannot be processed and will be returned to the recipient. Forms submitted with errors will delay the process and impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to the Department of Finance and Administration. According to state statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been received, recipients should contact MDA to check on the status of their request.

G. Requests for Cash overlapping the State's fiscal year (June 30th) must be separated into two separate requests.

H. All requests for reimbursement of construction expenses must include an itemized invoice approved by the engineer/architect.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.18 Grant Agreement Modifications.

A. MDA must approve any request for a grant agreement amendment, modification, or extension. GCRF grant recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official, appointed executive officer, or officer of any private entity supporting the need for the change(s) or extension.

B. MDA must approve any changes to the original budget. Failure to have approval may result in an ineligible activity which may result in the repayment of grant funds to MDA.

C. No approved applicant will be allowed to use excess funds to pay for project costs not accounted for in the original project description. Additionally, if a recipient completes a project for less than the amount awarded, excess funds can be requested for additional project work if there is no change from the scope of the original project.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.19 Reporting. To comply with the Act's reporting requirements, GCRF grant recipients must submit a Quarterly Report to MDA no later than January 15th, April 15th, July 15th and October 15th of every year. MDA will provide the Quarterly Report form. The failure to submit Quarterly Report will result in a delay in processing requests for cash and close-out packages.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.20 Monitoring.

A. Funds provided under the GCRF are subject to audit by the Mississippi State Auditor's office. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. All recipients must comply with requests from MDA regarding information required by the Legislature.

B. During the life of the project or at project completion, MDA will contact the grant recipient to determine a date for a monitoring visit.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.21 Close-Out Process.

A. The close-out process encompasses a series of activities to verify that GCRF funds have been properly spent and that all GCRF administrative actions and all required work on the project has been completed in a timely and acceptable manner.

B. The close-out process should begin when the following criteria have been met:

(i.) All costs to be paid with program funds have been paid, including any unsettled third- party claims.

(ii.) The recipient has fulfilled all its responsibilities under the grant agreement. This includes injection of all matching funds, all private investment, achieving all performance metrics and all job creation/retention commitments (where applicable).

C. Close-out packages bearing the original signatures of the designated signatory officials (one original copy) and submission of the Certificate of Completion (two original copies) are due to MDA within 30 days after completion of the project.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.22 File Maintenance. Maintaining an efficient filing system is critical to the administration and monitoring of a GCRF grant. A successful monitoring experience hinges on the quality with which the recipient maintains its filing system and the ease of obtaining information from those files. When establishing a file system, grant recipients should consider using two categories to set up their files, grant files, and project files. The grant files should contain documentation and information that relate to the overall funding and administration of the project. The project files should contain specific documentation and information pertaining to the GCRF project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 1.23 Waiver. These guidelines may be amended by MDA at any time. MDA, at its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Program Contacts. With questions or to request more information regarding the GCRF grant program, contact:

Mississippi Development Authority
Financial Resources Division
P.O. Box 849
Jackson, Mississippi 39205
601.359.3619

Adopted September 28, 2022

Chapter 2: GCRF Section 8 Grant Program Rules & Regulations

Rule 2.1 Program Objective.

A. The Mississippi Gulf Coast Restoration Fund (GCRF) Grant Program administered by the Mississippi Development Authority (MDA), is designed for making grants to finance projects to promote economic growth in the Gulf Coast region as defined by the federal RESTORE Act, or twenty-five (25) miles from the northern boundaries of the three (3) coastal counties of Harrison, Hancock, and Jackson, but not to expand beyond the boundaries of Hancock, Harrison, Jackson, Pearl River, Stone, and George counties. If a county is included in the coastal zone, then the county seat and the land lying to the east, west, and south within that county would be considered a part of the coastal zone.

B. The Mississippi Gulf Coast Restoration Fund Grant Program is authorized under Miss. Code Ann. § 57-119-1, *et seq.* (the "Act"). Funding for grants to eligible applicants is derived from appropriations or funds otherwise made available by the State Legislature.

C. Section 8 of the Act provides that MDA shall receive an annual appropriation to make grants to eligible applicants throughout the year.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.2 Eligible Applicants. Eligible applicants include, but are not limited to, local units of government, nongovernmental organizations, institutions of higher learning, community colleges, public schools, ports, airports, public-private partnerships, private for-profit entities, private non-profit entities, and local economic development entities.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.3 Eligible Projects. The intent of the Act is to stimulate growth and economic development in Pearl River, Stone, George, Jackson, Harrison, and Hancock counties. The GCRF Grant program is designed to support projects that will impact the competitiveness of these coastal counties and have a significant economic benefit on the region. Per the Act, projects must have the potential to generate increased economic activity in the region. The Act directs MDA to give priority to projects that meet the following criteria:

A. Projects that will impact the long-term competitiveness of the region and may result in a significant positive impact on tax base, private sector job creation and private sector investment in the region;

B. Projects that demonstrate the maximum long-term economic benefits and long-term growth potential of the region based on a financial analysis such as a cost-benefit analysis or a return-on-investment analysis;

C. Projects that demonstrate long-term financial sustainability, including clear performance metrics, over the duration of the project;

D. Projects that leverage or encourage leveraging of other private sector, local, state and federal funding sources with preference to projects that can demonstrate contributions from other sources than funds from the BP settlement;

E. Projects that are supported by multiple government or private sector entities;

F. Projects that can move quickly and efficiently to the design, engineering, and permitting phase;

G. Projects that enhance the quality of life/place and business environment of the region, including tourism and recreational opportunities;

H. Projects that expand the region's ability to attract high-growth industries or establish new high-growth industries in the region;

I. Projects that leverage or further enhance key regional assets, including educational institutions, research facilities, ports, airports, rails, and military bases;

J. Projects that are transformational for the future of the region but create a wider regional impact;

K. Projects that enhance the marketability of existing industrial properties;

L. Projects that enhance a targeted industry cluster or create a Center of Excellence unique to the region;

M. Infrastructure projects for business retention and development;

N. Projects that enhance research and innovative technologies in the region; and

O. Projects that provide outcome and return on investment measures, to be judged by clear performance metrics, over the duration of the project or program.

Source: Miss. Code Ann. § 57-119-1, et seq.

Rule 2.4 Approval Process for Section 8 Grants. MDA shall review all applications received during the appropriated year for consideration under Section 8 of the Act and shall make a determination, based on the statutory priorities listed above, regarding which eligible projects are to be funded. The Legislature will provide MDA with an appropriated amount of funds for use in funding these projects.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.5 Match Requirements. GCRF assistance may not be used to finance one hundred percent (100%) of the cost of any project; however, this limitation shall not apply to projects for public schools. All applicants, excluding public schools must provide a match of at least twenty percent (20%) of the total project costs from non-State funds. Direct project costs accrued on or after April 20, 2010, the date of the Deep Horizon disaster, are eligible as matching funds if they meet the other match requirements and can be documented by the recipient as to how much and when the money was spent. In-kind services cannot count toward the twenty percent (20%) match requirement; however, they are eligible to utilized for matching funds in excess of the twenty percent requirement.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.6 MDA Administrative Costs. MDA reserves the right to recover from applicants and recipients of GCRF funds a portion of the costs associated with administering assistance provided under the Act.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.7 General & Administrative Costs ("Soft Costs"): GCRF funds may pay for professional services (architectural/engineering fees, feasibility studies, geotechnical, permitting), property acquisition services (appraisal fees, land surveys), legal fees, loan fees, project management, advertising, marketing and PR fees; however, the allowable amount is limited to ten percent (10%) of GCRF funds. GCRF funds may not be used to pay grant administration costs, salary, wages or fringe costs, travel costs, or consulting costs.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.8 Registering with the Secretary of State. All business applicants must be licensed to do business in the State by the Secretary of State's Office, as required by state statute.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.9 Mississippi Employment Protection Act. All grant recipients entering into grant agreements with the Mississippi Development Authority must represent and warrant that they will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the E-Verify System, the federal employment status verification system, of all newly hired employees.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.10 Repayment of Funds. Grant Agreements executed by MDA shall have provisions for the repayment of funds by eligible applicants if the grant provided by MDA was based upon fraudulent information provided by the applicant or the applicant fails to meet performance metric requirements as described in the grant agreement.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.11 Submitting Applications for Funding under Section 8. Applications for funding under Section 8 of the Act will be accepted on a rolling basis; there is no application deadline to apply for Section 8 funding. Applications for funding under Section 8 must include a completed application form and all necessary supporting documentation. Any application submitted for funding under Section 8 that does not contain information sufficient for review will not be considered for funding. Applications can be mailed to:

Mississippi Gulf Coast Restoration Fund Program
Mississippi Development Authority
Financial Resources Division
501 North West Street
Jackson, MS 39201

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.12 Application Requirements. To apply for the Mississippi Gulf Coast Restoration Fund Grant Program, applicants for funding under Section 8 of the Act must submit a completed Project Information Packet (supplied by MDA) or an application that includes the following:

A. The name, address, and contact information of the applicant and the benefiting entity, if different;

B. A detailed description of the project and a narrative explaining how the project relates to the statutory priorities of the Act;

C. Current employment levels at the project site and an estimated increase, if any, as a result of the project (if applicable);

D. A description of the applicant's investment in the project and all public and/or private sources of funding that have been secured and that will be utilized exclusively for the project;

E. Cost estimate: a cost estimate must be submitted by an engineer, architect, or appropriate official;

F. Timeline for implementation and completion of the project;

G. Budget sheet;

H. Project Maps and/or Construction Drawings, if applicable;

I. Executed copy of the local unit of government's resolution of authorization to apply for grant funds (if the applicant is a public entity);

J. Executed copy of the local unit of government's resolution committing matching funds to the project (if the applicant is a public entity);

K. Documentation of additional funds, if applicable (all matching funds must be committed and in place with documentation at the time of application);

L. Supporting documentation, such as pictures, company commitment letters, letters of support from stakeholders, etc., if applicable; and

M. Proof that E-Verification systems are in place, if applicable;

N. Proof of Secretary of State Status, if applicable.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.13 Application Review Process: MDA will review all Section 8 application submissions that are complete with all the required attachments. Following the review, the applicant will be contacted to provide any additional information MDA deems appropriate and required.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.14 Award Process. Once all requested information has been completed by the applicant and approved by MDA, a binding grant agreement will be executed between the Mississippi Development Authority and the recipient for the specific amount awarded and for the particular activity approved by the MDA. Construction may not begin prior to an effective grant award date. Any expenses incurred before the effective date of the grant agreement will not be reimbursed by MDA.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.15 Procurement. All contracts and purchases must be made in accordance with normal bid and purchase laws of a local unit of government or other public entity if the grant is for a public purpose.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.16 Minority and Women Owned Business Enterprises. MDA encourages the maximum opportunity for increased participation by minority and women-owned business enterprises in the procurement of goods and services. MDA's Minority Business Division and the Mississippi Procurement Technical Center can assist with minority and women-owned business enterprise outreach efforts. See www.mmbr.org or www.mscpc.com for more information.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.17 Disbursement of Funds.

A. All funds awarded must be spent for improvements within the scope of the project description as stated in the project information packet.

B. MDA will reimburse applicants for eligible costs incurred for the project.

C. All funded projects are required to begin within 12 months of the award date. Where the project has not commenced within 12 months, the applicant must satisfactorily demonstrate that the project is proceeding or the award may be de-obligated.

D. Recipients will have one (1) year to request reimbursement for GRCF funds, with an expiration of June 30th of the following year after appropriation. All open projects will be subject to reappropriation by the Legislature in subsequent years until the project is complete.

E. Adequate invoices and other certified documentation must be submitted with a Request for Cash form for funds to be disbursed. A copy of the Request for Cash form and detailed instructions for submitting payment requests will be provided after the grant agreement is executed.

F. All forms submitted must be accurately completed or the request cannot be processed and will be returned to the recipient. Forms submitted with errors will delay the process and impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to the Department of Finance and Administration. According to state statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been received, recipients should contact MDA to check on the status of their request.

G. Requests for Cash overlapping the State's fiscal year (June 30th) must be separated into two separate requests.

H. All requests for reimbursement of construction expenses must include an itemized invoice approved by the engineer/architect.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.18 Grant Agreement Modifications.

A. MDA must approve any request for a grant agreement amendment, modification, or extension. GCRF grant recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official, appointed executive officer, or officer of any private entity supporting the need for the change(s) or extension.

B. MDA must approve any changes to the original budget. Failure to have approval may result in an ineligible activity which may result in the repayment of grant funds to MDA.

C. No approved applicant will be allowed to use excess funds to pay for project costs not accounted for in the original project description. Additionally, if a recipient completes a project for less than the amount awarded, excess funds can be requested for additional project work if there is no change from the scope of the original project.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.19 Reporting. To comply with the Act's reporting requirements, GCRF grant recipients must submit a Quarterly Report to MDA no later than January 15th, April 15th, July 15th and October 15th of every year. MDA will provide the Quarterly Report form. The failure to submit the Quarterly Report will result in a delay in processing requests for cash and close-out packages.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.20 Monitoring.

A. Funds provided under the GCRF are subject to audit by the Mississippi State Auditor's office. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. All recipients must comply with requests from MDA regarding information required by the Legislature.

B. During the life of the project or at project completion, MDA will contact the grant recipient to determine a date for a monitoring visit.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.21 Close-Out Process.

A. The close-out process encompasses a series of activities to verify that GCRF funds have been properly spent and that all GCRF administrative actions and all required work on the project has been completed in a timely and acceptable manner.

B. The close-out process should begin when the following criteria have been met:

(i.) All costs to be paid with program funds have been paid, including any unsettled third- party claims.

(ii.) The recipient has fulfilled all its responsibilities under the grant agreement. This includes injection of all matching funds, all private investment, achieving all performance metrics and all job creation/retention commitments (where applicable).

C. Close-out packages bearing the original signatures of the designated signatory officials (one original copy) and submission of the Certificate of Completion (two original copies) are due to MDA within 30 days after completion of the project.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.22 File Maintenance. Maintaining an efficient filing system is critical to the administration and monitoring of a GCRF grant. A successful monitoring experience hinges on the quality with which the recipient maintains its filing system and the ease of obtaining information from those files. When establishing a file system, grant recipients should consider using two categories to set up their files, grant files, and project files. The grant files should contain documentation and information that relate to the overall funding and administration of the project. The project files should contain specific documentation and information pertaining to the GCRF project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 2.23 Waiver. These guidelines may be amended by MDA at any time. MDA, at its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Program Contacts. With questions or to request more information regarding the GCRF grant program, contact:

Mississippi Development Authority
Financial Resources Division
P.O. Box 849
Jackson, Mississippi 39205
601.359.3619

Adopted September 28, 2022

Chapter 3: GCRF Loan and Loan Guaranty Program Rules & Regulations

Rule 3.1 Program Objective.

A. The Mississippi Gulf Coast Restoration Fund (GCRF) Loan Program administered by the Mississippi Development Authority (MDA) is designed for making loans to finance projects to promote economic growth in the Gulf Coast region as defined in the federal RESTORE Act, or twenty-five (25) miles from the northern boundaries of the three (3) coastal counties of Harrison, Hancock, and Jackson, but not to expand beyond the boundaries of Hancock, Harrison, Jackson, Pearl River, Stone, and George counties. If a county is included in the coastal zone, then the county seat and the land lying to the east, west, and south within that county would be considered a part of the coastal zone.

B. The Mississippi Gulf Coast Restoration Fund Loan Program is authorized under Miss. Code Ann. § 57-119-1, *et seq.* (the “Act”). Funding for loans for eligible applicants is derived from appropriations or funds otherwise made available by the State Legislature.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.2 Eligible Loan Purposes and Uses. The intent of the Act is to stimulate growth and economic development in Pearl River, Stone, George, Jackson, Harrison, and Hancock counties. The projects must have the potential to generate increased economic activity in the Gulf Coast region, and MDA will give priority to projects that meet the following objectives established by the Act:

A. Projects that will impact the long-term competitiveness of the region and may result in a significant positive impact on tax base, private sector job creation, and private sector investment in the region;

B. Projects that demonstrate the maximum long-term economic benefits and long-term growth potential of the region based on a financial analysis such as a cost-benefit analysis or a return-on-investment analysis;

C. Projects that demonstrate long-term financial sustainability, including clear performance metrics, over the duration of the project;

D. Projects that leverage or encourage leveraging of other private sector, local, state and federal funding sources with preference to projects that can demonstrate contributions from other sources than funds from the BP settlement;

E. Projects that are supported by multiple government or private sector entities;

F. Projects that can move quickly and efficiently to the design, engineering, and permitting phase;

G. Projects that enhance the quality of life/place and business environment of the region, including tourism and recreational opportunities;

H. Projects that expand the region's ability to attract high-growth industries or establish new high-growth industries in the region;

I. Projects that leverage or further enhance key regional assets, including educational institutions, research facilities, ports, airports, rails, and military bases;

J. Projects that are transformational for the future of the region but create a wider regional impact;

K. Projects that enhance the marketability of existing industrial properties;

L. Projects that enhance a targeted industry cluster or create a Center of Excellence unique to the region;

M. Infrastructure projects for business retention and development;

N. Projects that enhance research and innovative technologies in the region; and

O. Projects that provide outcome and return on investment measures, to be judged by clear performance metrics, over the duration of the project or program.

GCRF loan/loan guaranty proceeds must be used for a "business purpose." A business purpose includes, but is not limited to, startup costs, working capital, equipment, and inventory, as well as the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.3 Ineligible Loan Purposes and Uses. Under the program, loans made for the following uses or purposes are not eligible to apply:

A. Refinancing existing debt

B. Financing the acquisition, construction, improvement, or operation of real property, which is to be held primarily for sale or investment, such as commercial real estate ownership

C. Financing any business engaged in lending, directly or indirectly

D. Repaying delinquent federal or state income taxes

E. Reimbursing funds owed to any owner, including any equity injection

F. Financing working capital and/or rolling stock

G. Financing a non-business purpose

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.4 Qualified Borrowers.

A. Mississippi new or existing small businesses with up to 250 employees and less than $7,000,000 in gross revenues or $1,000,000 in profit after taxes –The company must be financially sound, present evidence that it can repay the debt, and must not have defaulted on any previous loan from the state or federal government.

B. Governmental Entities and Economic Development Organization, when the financing is for a "business purpose" – including, but not limited to, local units of government, institutions of higher learning, ports, airports, public-private partnerships, and public, local economic development entities.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.5 Eligible Loan Guaranty Financial Institutions. All financial institutions must be preapproved by MDA before participating in the program. Eligible participating Financial Institutions must have operations in Mississippi and may include:

A. Commercial banks

B. Savings banks

C. Federal land banks

D. Farm credit banks, agricultural credit associations, or other farm credit agencies

E. Mississippi Planning and Development Districts

F. Community development corporations

G. Community development financial institutions

To be approved for participation in the program, an eligible financial institution must submit an *Application for Participation* to MDA. The application document and list of required attachments will be reviewed by MDA and considered for approval for participation in the program. An MDA-approved financial institution will be required to enter into the GCRF *Loan Guaranty Program Agreement*. This agreement establishes the terms and conditions of the program and obligates the lender to meet program requirements.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.6 Lender Participation.

A. An eligible financial institution must be approved for participation in the GCRF Loan Guaranty Program by MDA. To be approved for participation in the program, an eligible financial institution must submit an *Application for Participation* to MDA. The application document and list of required attachments will be reviewed by MDA and considered for approval for participation in the program.

B. An MDA-approved financial institution will be required to enter into the GCRF *Loan Guaranty Program Agreement*. This agreement establishes the terms and conditions of the program and obligates the lender to meet program requirements.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.7 Ineligible Borrowers.

A. The borrower may not be an executive officer, director, or principal shareholder of the partnering Financial Institution or a member of the immediate family of an executive officer, director, or principal shareholder of the partnering Financial Institution. Immediate family is defined as spouse, parent, child, or sibling of the applicant.

B. The borrower may not earn more than half its annual net revenue from lending activities and may not be a business that is engaged in the following activities:

   i. Speculative activities that develop profits from fluctuations in price rather than the normal course of trade

   ii. Pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants

   iii. Gambling enterprises

   iv. Activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.8 Application Fee. A $5,000 application fee is due when an application is filed with MDA.

Source: Miss. Code Ann. § 57-119-1, *et seq*.

Rule 3.9 Applying for Funding.

A. Applications for funding will be accepted on a rolling basis; there is no application deadline. All applicants requesting GCRF loan funding must submit a completed application form and all necessary supporting documentation. The application must include the following:

   (i.) A detailed description of the project;
   (ii) A cost estimate for the project, as well as a detailed breakdown of all public or private sources of funding;
   (iii) Information regarding the purpose of the proposed loan, including the activities to be funded with loan proceeds and the cost of each;
   (iv) Documentation on how the proposed loan relates to the priorities outlined in the Act; and

(v) The time schedule for implementation and completion of the project evidencing an expeditious completion of the project.

B. After an initial application review, MDA will ask applicants who are Companies to submit the following:

(i.) Company balance sheets, income statements, and statements of cash flow for the previous three (3) fiscal years and current statements dated within ninety (90) days of application and/or three (3) years of tax returns;

(ii.) A two (2) year business plan for the project; and

(iii.) A list of principal stockholders, partners, or parties who have ownership of twenty percent (20%) or more in the Company. If the applicant is a new Company, each of these individuals must provide personal financial statements for the past three years and current statements dated within (90) days of application, as well as three (3) years of tax returns.

C. After an initial application review, MDA will ask applicants who are Governmental Entities and Economic Development Organizations to submit the following:

(i.) Certified proof of publication of the Resolution of Intention of the governmental entity to apply for the GCRF Loan Program. The Resolution must be published once a week for at least four (4) consecutive weeks in a newspaper having general circulation in the county. Upon receiving the results of the publication of the Resolution of Intention, the governmental entity will need to provide MDA with an executed Resolution of No Protest.

(ii.) Most recent audited financial statements.

D. MDA may require additional information as needed.

Applications can be mailed to:

Mississippi Gulf Coast Restoration Fund Grant Program
Mississippi Development Authority
Financial Resources Division
501 North West Street
Jackson, MS 39201

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.10 Registering with the Secretary of State. All business applicants must be licensed to do business in the State by the Secretary of State's Office, as required by state statute.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.11 Mississippi Employment Protection Act. All loan recipients entering into loan agreements with the Mississippi Development Authority must represent and warrant that they will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the E-Verify System, the federal employment status verification system, of all newly hired employees.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.12 Loan Terms and Conditions.

A. The borrower must inject a minimum of ten percent (10%) equity into the project.

B. The minimum loan amount is $250,000.

C. The term of the loan shall be the determined useful life of the asset to be financed or up to twenty (20) years, whichever is less.

D. The rate of interest on the loan will be at a fixed rate. MDA will determine the interest rate of a loan on a project-by-project basis based on a review of the application.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.13 Loan Guaranty Terms and Conditions.

A. The amount of the loan guaranty will not exceed eighty percent (80%) of the loan amount or $500,000, whichever is less. The minimum amount will not be less than $50,000.

B. The loan guaranty percentage will be determined by the type of loan and the risk profile of the loan. To determine the percentage of guaranty approved for each loan, the guaranty application will be reviewed by MDA's GCRF Loan Review Committee. The committee will consider credit history, experience, and history of the borrower, collateral coverage, and job creation in its evaluation and will set the guaranty percentage based on these factors.

   (i) Working capital, lines of credit, and accounts receivable loans will be eligible for a loan guaranty of up to fifty percent (50%).

(ii) Loans to finance fixed assets, such as equipment and real estate, will be eligible for a loan guaranty of up to eighty percent (80%), based on the risk associated with the loan.

C. Working capital, lines of credit, and accounts receivable loans will have a maximum guaranty term of five (5) years.

D. Loans to finance fixed assets, such as equipment and real estate, will be eligible for a guaranty term of up to fifteen (15) years. The term will not exceed the useful life of the assets securing the loan or being financed, with a maximum term of fifteen (15) years.

E. The term of the GCRF guaranty shall match the term of the financial institution's loan, up to the maximum of fifteen (15) years. (Amortization may exceed the loan term).

F. MDA shall keep the amount of each loan guaranty in the proper fund in the State Treasury until the loan has been repaid early, there has been a default, or the term of the loan has expired and the loan has been closed.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.14 Repayment. Principal and interest payments will be due monthly, with a fixed amount to be paid over the life of the loan.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.15 Liens. Each loan will be secured by a lien to provide adequate security for MDA to recover its investment in case of default on the loan. Liens may be in the form of, but are not limited to, personal guarantees, liens on equipment installed, or a security interest in other assets.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.16 Guaranties. For business applicants, individuals or entities with twenty percent (20%) or more ownership in the company will be required to provide personal guaranties and life insurance.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.17 Loan and Loan Guaranty Approval.

MDA shall review all GCRF loan/loan guaranty applications received during the appropriated year for consideration under the Act, and all completed loan applications will be presented for consideration to MDA's GCRF Loan Review Committee. If a loan has been applied for under

Section 8 of the Act and the review committee has approved a loan application, the loan commitment is valid for ninety (90) days. If the loan has not closed within ninety (90) days, updated information may be required and the loan will be resubmitted to the review committee for approval before the loan can proceed to closing.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.18 Loan Closing.

A. Based upon the terms and conditions established by MDA, MDA will have all security and loan documents, including but not limited to the loan agreement and promissory note, prepared by outside counsel. Prior to disbursement of any funds, all loan documents must be fully executed.

B. The borrower will also be responsible for paying for all costs associated with the closing of the loan, including document preparation, attorney's fees, title searches and filing fees.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.19 Administrative Costs. MDA reserves the right to recover from applicants and recipients of GCRF funds a portion of the costs associated with administering assistance provided under the Act.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.20 Disbursement Process. MDA will release loan funds on a reimbursement or services rendered basis for approved eligible costs of the project as incurred. The borrower shall certify to MDA that the expenses were incurred and were in accordance with the project as approved by MDA. Funds will be released periodically upon receipt of supporting documentation from the borrower based upon a schedule established by MDA.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.21 Reporting/Monitoring. To comply with the Act's reporting requirements, borrowers must submit a Quarterly Report to MDA no later than January 15th, April 15th, July 15th and October 15th of every year. MDA will provide the Quarterly Report form. The failure to submit the Quarterly Report will result in a delay in processing requests for cash and close-out packages.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.22 Audit. Funds provided under the GCRF Loan program are subject to audit by the Mississippi State Auditor's office. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. All borrowers must comply with requests from MDA regarding information required by the Legislature.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Rule 3.23 Waiver. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Source: Miss. Code Ann. § 57-119-1, *et seq.*

Contact Information. Program inquiries should be directed to:

Mississippi Development Authority
Financial Resources Division
P.O. Box 849
Jackson, Mississippi 39205
601.359.3619

Adopted September 28, 2022