



Transportation Economic Development Grants Procedures



South Dakota

Department of Transportation

Office of Local Government Assistance

01/09/2019

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
ECONOMIC DEVELOPMENT GRANT PROGRAMS

OBJECTIVE

The South Dakota Department of Transportation has developed a grant program to foster economic development and enhance community access in South Dakota. The program has three categorical purposes:

- 1) The Industrial Park grants will be made to any local unit of government for the development of new or expanded access for new industry located within industrial parks.
- 2) The Agri-Business Access Grants will be made to any local unit of government for the development of access to new or expanded agri-business industries.
- 3) The Community Access Program grants will be made to communities with populations of less than 5,000 to enhance existing access to down-town areas or for roads leading to schools, hospitals, grain terminals, or other significant traffic generating features of a small community.

All grants will be based on the criteria developed by the Department of Transportation. The expenditure authority for the program will be determined by the Transportation Commission at their May meeting for the next Federal fiscal year. All grants must be approved by the Transportation Commission and may be used to construct or reconstruct roads and streets that are eligible for funding.

I. INDUSTRIAL PARK GRANT PROGRAM

A. SPONSOR

A local unit of government (city, town, county, or tribe) may file an application.

B. QUALIFICATION CRITERIA

The application should show that the following criteria have been met:

1. Commitment for the start of actual construction of the industrial or economic development facility within six months of date of commission approval; or
2. Evidence that new construction or expansion of an industrial or economic development facility that meets all other program criteria has been documented within the past year and that previous grants have not been obtained based on the same justification;
3. The project must be located within a defined industrial park, serve as primary access to an industrial park but located parallel to an industrial park, or connect a major route or street to an industrial park.
4. There is a minimum committed capital investment of at least five (5) times the required state participation costs;
5. The total employment for all facilities in the industrial park or development project should be at least 50;
6. A minimum of five (5) new jobs will be created by the industrial or economic development; and

Applications can qualify for funding by meeting criteria (3) and either criteria (1) or criteria (2). The Transportation Commission can waive items (4), (5), or (6).

C. ZONING

All land in the industrial park or development area must be zoned Industrial.

D. LAND TITLE

Title to all land in the industrial park area or development project area shall be vested with one of the following: 1) in a subdivision of government; 2) an industry committed to construction of an industrial development facility or development project; or 3) an Industrial Development Corporation or its equivalent.

II. AGRI-BUSINESS GRANT PROGRAM

A. SPONSOR

A local unit of government (city, town, county, or tribe) may file an application.

B. QUALIFICATION CRITERIA

The application should show that the following criteria have been met:

1. Commitment for the start of actual construction of the industrial or economic development facility within six months of date of commission approval; or
2. Evidence that new construction or expansion of an industrial or economic development facility that meets all other program criteria has been documented within the past year and that previous grants have not been obtained based on the same justification;
3. The project must serve as a primary access to an agricultural production or service business.
4. Planning and consideration was given to location based on its impact to the current infrastructure (i.e., roads, bridges, water, sanitary sewer, etc.)
5. There is a minimum committed capital investment of at least five (5) times the required state participation costs;
6. A minimum of five (5) new jobs will be created by the industrial or economic development; and

Applications can qualify for funding by meeting criteria (3) and either criteria (1) or criteria (2). The Transportation Commission can waive items (5) or (6).

III. COMMUNITY ACCESS GRANT PROGRAM

A. SPONSOR

A local unit of government (city, town, county, or tribe) may file an application.

B. QUALIFICATION CRITERIA

The application should show that the following criteria have been met:

1. The town must be less than 5,000 in population.
2. The project must be for reconstruction of important local roads; maintenance projects are not eligible.
3. Important local roads that are eligible include Main Street, road to the elevator or schools, etc.

IV. GENERAL CONDITIONS OF THE GRANTS

A. The SDDOT reimburses the local government for 80% of the construction costs up to the grant maximum.

B. Local sponsor is responsible for the 20% match of the construction costs, any costs, over the grant maximum, and 100% of the ineligible item costs included in the project.

C. These funds may not be used to match federal dollars on any DOT project within the local unit of government.

D. The roadway right-of-way must be dedicated to public use and obtained by the local unit of government.

E. The local government agency shall be responsible for maintenance of the completed access road and shall provide evidence of that commitment.

F. Construction costs for furnishing and installing sanitary sewers and utilities cannot be funded by the SDDOT.

G. Design and construction engineering costs and administrative fees are to be paid for by the applicant and cannot be included as local match.

H. The final decision on funding shall rest with the South Dakota Transportation Commission.

V. APPLICATION REQUIREMENTS

Applications are available on the SDDOT website at <http://www.sddot.com/business/local/economic/Default.aspx>.

The following is a list of the components that must be included in the application package:

1. Application Cover Sheet
2. Application Form
3. Typical Section
4. Map showing the location of the project
5. Cost estimate prepared by a Professional Engineer
6. Co-operative agreements with other units of local government if applicable
7. A Local Government Resolution of firm financial commitment for local unit of government to cover the costs of the engineering and local match.
8. A Local Government Resolution of commitment to maintain the road once construction of the project is completed.

Applications must be submitted to the SDDOT's ftp site or e-mailed to Paula Huizenga at paula.huizenga@state.sd.us unless a different email address is

designated by SDDOT. If applications are deposited on the state ftp site, e-mail notification must be sent to Paula Huizenga.

The SDDOT Local Government Assistance Office will request review of the Industrial Park applications from GOED. Both GOED and Department of Agriculture will be consulted on the Agri-Business applications. These agencies will determine:

1. If industrial or economic development has or can be expected to materialize;
2. If the construction of the proposed facility is necessary for development;
3. and, that the future development is in effect a reality.

Applications for all grants are due July 15th of each year.

VI. RANKING CRITERIA

Community Access Grant Applications will be rated and scored against each of the following factors.

A. Evaluation of need - Existing condition (90 Points)

All applications are compared in terms of existing road/street condition. For example, surfacing condition, drainage issues, safety concerns, etc.

Flexible Pavement (Asphalt):

Condition	Possible	Points
Excellent: Hairline Cracks - Minor Depressions	(0-5)	
Very Good: Low to Medium cracking, but cracks are generally very tight.	(5-10)	
Good: Cracks are 1/4" to 1/2" wide, some alligator cracking and rutting.	(10-15)	
Fair: Medium to high severity of alligator cracking and rutting. Cracks are generally 1/2" wide.	(15-20)	
Poor: Severe Alligator Cracking and rutting, pieces of asphalt are missing, and potholes are present.	(20-25)	
Failed: Traffic Operation is Difficult. Potholes and alligator cracking are extensive. Rut depth exceeds 3/4".	(25-30)	

Concrete Pavement:

Condition	Possible	Points
Excellent: Isolated Hairline Cracks	(0-5)	
Very Good: Up to 25 ft of cracking per 1000 S.F. of pavement. Cracks are generally tight, but some may be as much as 1/4" wide.	(5-10)	
Good: 25-75 ft of cracking per 1000 S.F. of pavement some spalling and faulting along cracks and joints.	(10-15)	
Fair: Presence of cracks, patches, and spalling is common. Transverse joint faulting is quite evident.	(15-20)	
Poor Condition: Shattered slabs are common, transverse joint faulting is very evident.	(20-25)	
Failed: Traffic operation is difficult and Maintenance is inappropriate.	(25-30)	

Gravel Surface:

Condition	Possible	Points
Very Good: The only distress is dusting in dry conditions.	(0-10)	
Good: Medium-severity loose aggregate, low-severity washboarding, and some slight rutting.	(10-15)	
Fair: Moderate washboarding over 10-25% of area, moderate rutting, small potholes, and some loose aggregate	(15-20)	
Poor: Little or no roadway crown, severe washboarding and loose aggregate, moderate potholing, 25% of road has little or no aggregate.	(20-25)	
Failed: Travel on road is very difficult. No crown or bowl-shaped road. Severe rutting and potholing many areas have little to no aggregate.	(25-30)	

Drainage:

Condition	Possible	Points
<u>Rural Section:</u> Water stands in ditch - allows cat tails to grow	(0-10)	
<u>Urban Section:</u> Inadequate or non-existent storm sewer, Inadequate or non-existent curb and gutter		
Water collects in ruts and low spots on the road.	(0-10)	
Other: Major Drainage structure in poor condition, frequent flooding (2-3 year occurrence), etc.	(0-10)	
DRAINAGE TOTAL	(0-30)	

Safety:

Condition	Possible	Points
Adequate	0	
Dangerous Intersection(s)	(0-10)	
Substandard Roadway Width	(0-10)	
Poor visibility	(0-10)	
SAFETY TOTAL	(0-30)	

A project which consists of a new alignment shall receive forty-five (45) points.

	GRAND TOTAL	90	
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B. Average Daily Traffic and Percent Trucks (30 points). All applications will be compared in terms of the amount of current or projected car and truck traffic on the road/street proposed for improvement.

ADT	Points
0-100	10
101-500	20
> 500	25

Additional 5 points if percent trucks is greater than 10%. 30 total possible points.

C. Location (maximum of 50 points). All applications will be compared in terms of the location of the project. Streets leading to hospitals, schools, elevators, factories, assembly plants, businesses and the down-town area will receive more points.

Location	Points
Hospitals or health care facility	10
Nursing home	10
Schools	10
Grain terminals	10
Manufacturing/Processing plants	10
Downtown area	10

D. GOED and DENR Grants/Loans (50 points) All applications will be compared in terms of whether or not this grant will be used in conjunction with a Community Development Block Grant (CDBG), the State Revolving Loan Fund (SRF), or Consolidated Water Facilities Construction Fund (CWFCF) from either the Department of Environment and Natural Resources or the Governor's Office of Economic Development for the water/sewer/storm sewer infrastructure to be located in the proposed project area.

Will the grant be used in conjunction with a water/sewer project?

Yes - 50 points

No - 0 points

E. Impact on Business (50 POINTS) All applicants will be compared in terms of the number of businesses that the street/road will effect.

Number of Businesses	Points
20 or more	50
15 or more	40
10 or more	30
5 or more	20
0 to 5	10

F. Program Factor – Impact of the proposed program (50 POINTS) This factor will take into consideration the items that do not fall under any other rating factor. The following items will be considered:

- Is this phase 2 or more of a multiple phase project?
- Is the project tied to other projects or phased in order for the community to afford the project?
- What is the rate of deterioration of the street? Will it last for one or two more grant cycles without total deterioration occurring?
- Is it a cooperative project between multiple agencies (state-county-city-township-tribe)?
- Is the project cost effective--will the cost of the fix to the street be justifiable compared to the increase/decrease in population/businesses/industry etc.?

All projects are compared in terms of impact on the identified areas and awarded points from 0 to 50 in 10 point increments.

G. PREVIOUS GRANT AWARDS (- 50 points)

Applicant awarded a Community Access Grant within the past 5 years?

Yes: - 50 points

VII. PROJECT DEVELOPMENT PROCESS

A. Local Government Responsibilities:

1. Provide plans prepared by a professional engineer to SDDOT for review.
2. Plans will be completed using SDDOT Standard Specifications, Bid Item Numbers, Standard Plates and notes.
3. Plans will follow the SDDOT Local Roads Plan and the SDDOT Road Design Manual.
4. Provide for ROW acquisition.
5. Provide for Utility notification and relocation if needed.
6. Obtain all necessary permits (such as COE 404, Storm Water, Dewatering, DOT, Federal Lands, BIA, Tribal, Municipal, etc.)
7. Address via Blue Beam Review process, to the satisfaction of SDDOT, all SDDOT review comments.
8. Submit final plans.
9. After receipt of SDDOT letting authorization, advertise the project for bids and conduct bid letting.
10. Obtain SDDOT concurrence in the bid
11. Enter into a construction contract and pay contractor directly.
12. Request Reimbursement from SDDOT for eligible construction costs.
13. Provide SDDOT with copies of construction change orders.
14. Provide SDDOT with certification of substantial completion.

B. The SDDOT will:

1. Review and offer comments on plans.
2. Authorize the local government to advertise the project.
3. Concur in the bid award.
4. Reimburse the local government for eligible construction expenses in accordance with the terms and conditions of the grant agreement.

C. Reimbursement Process:

The local government shall submit signed pay request to Paula Huizenga, Grant Program Engineer at paula.huizenga@state.sd.us. These need to be signed by the engineer, the local government, and the contractor. SDDOT does not have a special form. The pay request can be submitted electronically.

SDDOT will reimburse the local government for 80% of eligible construction costs unless otherwise stated in the agreement. All construction change orders need to be submitted to SDDOT as well.

If other funding sources are included as part of the project, the local government must submit a table listing the amount paid by each source for each pay request.

At the conclusion of the project, the local government must submit certification that the project is complete, and construction is in conformance with the contract as awarded. This certification is to be signed by the engineer.

CHECKLIST FOR TRANSPORTATION ECONOMIC DEVELOPMENT GRANTS

The following items shall be submitted to SDDOT in order as follows:

1.	Signed Agreement between SDDOT and Local Government	
2.	Plans Prepared by Professional Engineer and using the following standards: <ul style="list-style-type: none"> • SDDOT Standard Specifications for Roads and Bridges • SDDOT Bid Items • SDDOT Standard Notes and Standard Plates • SDDOT Local Roads Plan • SDDOT Office of Road Design Manual • American's With Disabilities Act (ADA) requirements 	
3.	Submit Plans Electronically for Review by SDDOT	
4.	SDDOT Comments Addressed	
5.	Receive SDDOT authorization for advertisement	
6.	Submit the following for bid concurrence: <ul style="list-style-type: none"> • Engineer's Estimate • Bid Tab • City/County Commission Meeting minutes concurring in the award to lowest bidder contingent on SDDOT approval 	
7.	Receive SDDOT concurrence in bid award	
8.	Submit Pay requests to SDDOT for reimbursement <ul style="list-style-type: none"> • May use own form • May be submitted electronically to Paula Huizenga at paula.huizenga@state.sd.us. • Change orders must be submitted but are not signed by SDDOT. • Include a table when multiple funding sources are used on the project. 	
9.	Submit certification that the project is complete and constructed in conformance with the approved plans.	

2020 ECONOMIC DEVELOPMENT GRANTS

	INDUSTRIAL PARK GRANT	AGRI-BUSINESS GRANT	COMMUNITY ACCESS GRANT
PURPOSE	New or expanding industry	New or expanding agricultural business	Towns with less than 5,000
FUNDING LEVEL/YEAR	\$500,000	\$1,000,000	\$2,500,000
APPLICATIONS DUE	April 15, July 15, October 15	April 15, July 15, October 15	July 15
GRANT MAX AMOUNT*	\$500,000	\$600,000	
DOT COST SHARE **	80/20		
MIN CAPITAL INVESTMENT	5 times state investment, and	5 times state investment, or	NA
JOB CREATION	Minimum of 5 jobs created	Minimum of 5 jobs created	NA
COMMITMENT	Start construction within 6 months or within past year		NA
LOCAL GOVERNMENT REQUIREMENTS	Right of Way acquisition, engineering, bid letting, and utility costs		
RECOMMENDATION REVIEWS	GOED review and approval	GOED and Dept of Ag review and approval	Road Condition, Average Daily Traffic, amount of truck traffic, location

* 2016-2018, previous grant maximum amounts were limited to \$400,000 each. Prior to 2016, the maximum grant was \$200,000 each.

** Prior years cost share was 60% grant / 40% local funds.

Community Access Grant Applications					
City	Project Location	Project Description	Estimated Total Project Cost	Funding Requested	Score
Marion	Broadway Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, concrete surfacing, storm sewer, and water and sewer.	\$3,830,672	\$600,000	176
Viborg	Park Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, asphalt surfacing, storm sewer and water and sewer.	\$3,115,941	\$600,000	157
Bowdle	Main Street	Reconstruction to include excavation, base course, geotextile fabric, sidewalk, asphalt surfacing, and water and sewer.	\$830,602	\$578,082	132
Hurley	Center Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, asphalt surfacing, and water and sewer.	\$19,492,680	\$600,000	131
Burke	Eighth, Ninth, and Jefferson Streets	Reconstruction to include excavation, base course, sidewalk, asphalt surfacing, and water and sewer.	\$2,229,180	\$600,000	129
Mission	Main, 3rd, & Rosbeud Streets	Reconstruction to include excavation, base course, sidewalk, concrete surfacing, and lighting.	\$1,426,774	\$600,000	110
Mount Vernon	Railroad Avenue	Reconstruction to include base course, gravel surface, and valley gutter	\$501,100	\$352,080	106
Brown County	Brown County 10A	Reconstruction to include base course, geotextile fabric, sidewalk, and asphalt surfacing	\$557,640	\$364,912	100
Fredrick	Brown County 10A & Railroad Avenue	Reconstruction to include base course, geotextile fabric, sidewalk, and asphalt surfacing	\$549,590	\$358,472	100
Wagner	Walnut Avenue	Base course with concrete surfacing	\$1,123,000	\$600,000	96
Hot Springs	17th St, 19th St, Lincoln Ave, Washington Ave, Jennings Ave	Reconstruction to include base course, asphalt surfacing, curb & gutter	\$734,525	\$587,620	77
Selby	Main and Dakota Streets	Base course, Asphalt surfacing, sidewalk	\$487,021	\$340,142	76
Elk Point	Douglas - Washington Streets	Reconstruction to include water and sewer	\$1,111,605	\$600,000	75
Platte	Memorial Drive	Reconstruction to include excavation, base course, geotextile separator, sidewalk, and asphalt surfacing	\$994,800	\$600,000	74
Bushnell	Main Street	Milled with asphalt overlay	\$164,030	\$159,030	70
Winner	Third and Jefferson Streets	Reconstruction to include base course, geotextile fabric, and asphalt surfacing	\$855,335	\$579,868	69
Summerset	Siouxland Road	Reconstruction to include excavation, base course, and asphalt surfacing	\$831,807	\$600,000	67
Dimock	East First Street	Reconstruction to include base course and concrete surfacing	\$819,000	\$539,000	65
Howard	Section Line Street	Milling and repaving with excavation and base course	\$694,408	\$344,644	65
Blunt	Main Street	Reconstruction to include excavation, base course, curb & gutter, sidewalks, asphalt surfacing	\$776,354	\$533,743	55
Hanson County	421st Street	Reconstruction to include base course and concrete surfacing	\$1,770,773	\$600,000	55
Rosholt	Main Street	Reconstruction to include excavation, base course, geotextile fabric, and asphalt surfacing	\$809,000	\$600,000	55
Fall River County	Main Street - Oelrichs	Reconstruction to include base course, grading culverts, and asphalt surfacing	\$862,902	\$431,341	54
Deadwood	Crescent Street	Reconstruction to include sidewalk, widening of road for safety, storm drainage, utilities, and base course	\$644,811	\$274,124	52.5
Sully County	305th Avenue - Onida	Asphalt overlay to include digouts	\$496,329	\$352,592	50
Ethan	Railroad Street	Extend existing road	\$318,500	\$200,000	40
Potter County	County Rd 816	Mill and double chip seal	\$695,938	\$478,216	36
Chamberlain	Near Sanford Chamberlain Hospital	Construction of a new road to include base course, geogrid, curb and gutter, and asphalt surfacing	\$3,093,930	\$600,000	-20

City	Project Location	Project Description	Estimated Total Project Cost	Recommended Grant Amount
Recommended Agri-Business Grants				
Garfield Township Hamlin County near Bryant	440th Avenue	Excavation, culvert replacement, geotextile fabric, and gravel surfacing	\$637,929	\$155,000
Dolton Township Turner County near Marion	445th Avenue	Excavation, culvert replacement, geotextile fabric, and gravel surfacing	\$68,500	\$54,800
Recommended Industrial Park Grants				
City of Volga	Industrial Drive	Reconstruction to include excavation, base course, geotextile fabric, curb and gutter, and asphalt surfacing	\$298,687	\$239,000
Recommended Community Access Grants				
Bowdle	Main Street	Reconstruction to include excavation, base course, geotextile fabric, sidewalk, asphalt surfacing, and water and sewer.	\$830,602	\$578,000
Burke	Eighth, Ninth, and Jefferson Streets	Reconstruction to include excavation, base course, sidewalk, asphalt surfacing, and water and sewer.	\$2,229,180	\$600,000
Hurley	Center Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, asphalt surfacing, and water and sewer.	\$19,492,680	\$600,000
Marion	Broadway Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, concrete surfacing, storm sewer, and water and sewer.	\$3,830,672	\$600,000
Mission	Main, 3rd, & Rosbeud Streets	Reconstruction to include excavation, base course, sidewalk, concrete surfacing, and lighting.	\$1,426,774	\$600,000
Viborg	Park Avenue	Reconstruction to include excavation, geotextile fabric, base course, sidewalk, asphalt surfacing, storm sewer and water and sewer.	\$3,115,941	\$600,000
Total				\$4,026,800