

RURAL PROJECT PROGRAM

Summary of the Overall
Operating Guidelines,
Procedures, and Standard
Conditions for Financial
Assistance & Rural Project
Program Application

Summary of Operating Guidelines

A “Rural Project” is defined as:

- A county with a population of 115,000 or less based.
- In counties with a population greater than 115,000 but less than 200,000 located outside a Metropolitan Planning Organization (MPO) Study Area.
- The county in which the project is located must not have an active project with the Bank at the time of the submission or pendency of the application.
- The Bank Board shall have the exclusive authority and discretion to interpret and apply the foregoing provisions.

Summary of Operating Guidelines cont.

During any calendar or fiscal year in which the Board conducts a round of applications for financial assistance based on its determination that the Bank has sufficient available financial capacity to invite project applications, the Board in its discretion may authorize that a specific amount of financial capacity be made available for eligible and qualified Rural Projects that are approved by the Board during that upcoming round...

For the last round the Board has approved no more than \$50 million.

Summary of Operating Guidelines cont.

Project Eligibility Requirement

- After the last round of the Rural Project Program Application, the Board amended the Operating Guidelines to assist it with its review of the “eligibility” requirement.
- The Operating Guidelines now require an application to include a separate Exhibit that presents a timeline of when the project is proposed to commence construction and to complete construction.
- The Bank Board has reaffirmed its decision to provide financial assistance more to projects that are closer to “shovel-ready”.

Summary of Operating Guidelines cont.

What is an eligible Rural Project?

- A combination of a limited number of related projects meeting the definition of a Rural Project within reasonable proximity of each other may be combined and considered as one program, or
- Rural Project for financial assistance from the Bank if each component of the project's public benefit has the same purpose and need.
- The Board's determination of whether each of the projects may be combined shall carefully consider their proximity and the commonality of the purpose and need of the projects.



Summary of Operating Guidelines cont.

A Rural Project must have eligible project costs of at least \$25 million.

Summary of the Rural Project Program Application

- An eligible project provides a public benefit required by the SCTIB Act, S.C. Code Section 11-43-110 and has eligible project costs of a least \$25 million.
- The proposed project must provide a public benefit in one or more of the following areas:
 - Enhancement of mobility and safety;
 - Promotion of economic development; or
 - Increase in the quality of life and general welfare of the public.

Summary of the Rural Project Program Application cont.

- A combination of a limited number of related projects may be combined and considered as one program or
- Rural Project if the related projects are within reasonable proximity of each other and their public benefit has the same purpose and need.
- Consideration for eligibility of combined projects is within the exclusive authority and discretion of the Bank Board and will be done on a case-by-case basis.

Summary of the Rural Project Program Application cont.

- Financial assistance from the Bank is initiated by an applicant applying by the deadline set by the Board for the round.
- Once the project is determined eligible under the Act and Board's policies, the Bank conducts an in depth and detailed review and evaluation of the project to determine qualification for financial assistance and if so, in what form, amount and under what conditions.
- The initial information for the review and evaluation must be contained in the application.
- The Board will refer the application to its Evaluation Committee which will review and evaluate the application and issue a report to the Board on these issues.
- The Committee and the Bank Board may request additional information at any time during the process.

Summary of the Rural Project Program Application cont.

- The applicant must be a qualified borrower as defined in Section 11-43-130(15) and related sections of the Act.
- The Act requires the Bank to prioritize all eligible projects.
- The project in each application, if eligible, is scored and ranked.
- A minimum score to be considered for an award of financial assistance will be set by the Bank prior to the commencement of a round of applications.

Summary of the Rural Project Program Application cont.

- The application must be submitted to the Bank using the following format, containing the following contents, and presented in the following order using the numerical section and subsection designations listed below. A Table of Contents with page numbers and the numerical section and subsection designations listed below are required.
- Applications should include an executive summary and list a contact person for the applicant including that person's full name, mailing and street address, telephone and facsimile numbers, e-mail address, and relationship to applicant. Applications will be no longer than 25 pages, excluding appendices. Evidence of local support, studies, and other reports may be attached as appendices.
- Applications should include cross-referencing rather than using repetition in explaining the project and assistance requested. The applicant must include the name(s) of those preparing the application and the costs associated with application preparation.

Summary of the Rural Project Program Application cont.

- Applications shall be submitted as follows:
- Fifteen complete copies on 15 thumb drives in Word software, (or if thumb drives are not possible, 15 bound copies) mailed to the address below, and
- One complete un-bound printed copy mailed to:

South Carolina State Transportation Infrastructure Bank

955 Park Street, Room 120B

Columbia, South Carolina 29201

Summary of the Rural Project Program Application cont.

- Projects that are not eligible for financial assistance will be returned to the applicant with proper notification.
- In cases where information or a response is required from SCDOT or a Council of Governments, the applicant shall include a copy of the request to SCDOT or Council of Governments for the information or a copy of the response from SCDOT or Council of Governments, if received prior to the application being submitted. If the SCDOT or Council of Governments information or response is not included, the applicant must provide it immediately upon receipt.

Summary of the Rural Project Program Application cont.

DESCRIPTION OF PROJECT

Describe the rural project in sufficient detail through a narrative presentation to include the name of the project, project location and project termini.

Summary of the Rural Project Program Application cont.

PUBLIC BENEFIT – 50 POINTS (Maximum Score)

The proposed rural project must provide a public benefit in one or more of the following areas:

- enhancement of mobility and safety;
- promotion of economic development; or
- increase in the quality of life and general welfare of the public.

The application must identify each public benefit, explain how each is substantiated by the information in the application, and rank the public benefits in the order of importance from the perspective of the applicant. The determination of which scoring criteria apply and which points may be assigned under any item in part II will be made by the Bank based on the primary purpose and need of the project presented in the application.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to:

II.1 Traffic studies including the current and projected traffic volume, truck volume and accident data and the pavement quality index of existing road or highway to be improved (cite source and date of information and if not SCDOT, state why another source was used). Required information. The information must be the most current available data, and source data dated by year.

II.2 Urgency of project (is accelerating the project critical). If yes, the reason for urgency.

II.3 If applicable, a resolution from the local governing body or bodies which make a finding, with supporting information, that the project is essential to the economic development in the political subdivision or political subdivisions.

II.4 Current and five-year history of unemployment data for the counties served by the project. See II.13 and II.14 below.

II.5 Local support of the project from residents through items such as petitions or comments at public hearings. Must provide comments/petition if available.

Summary of the Rural Project Program Application cont.

After the last round of the Rural Project Program Application, the Board amended the Application to assist it with its review of the “eligibility” requirement.

The application must include a separate Exhibit that presents a timeline when the project is proposed to commence construction and to complete construction. This timeline should contain the information described in the Public Benefit Section, II.10.

If a projects application does not include the exhibit, the Board has the authority to determine the application does not meet the eligibility criteria.

The Bank Board has determined that the closer the projects are to being “shovel-ready” the more points the project application will receive.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

II.6 Resolutions, with substantive comments from municipalities, county councils, County Transportation Committees (CTC's), advisory groups, Metropolitan Planning Organizations (MPO) or Council of Governments (COG) and planning documents indicating where project is on all priority lists maintained by or in possession of those entities, SCDOT and the applicant. Must provide resolutions if available.

II.7 If applicable, explain and substantiate why the project is of regional or statewide significance.

II.8 Review and evaluate the pros and cons of all alternative transportation plans to the project. Are there other reasonable alternatives for the application project? If so, why was the application project pursued?

II.9 Provide an analysis of the environmental impact of the project. Expected level of necessary environmental document review, and if a U.S. Army Corps permit is likely to be required.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

II.10 Provide a timetable bar chart of events/milestones to implement phases of project (including when the facility will be open for use). Include each critical factor necessary for the project success (i.e. environmental approvals, etc.) and the status of each. Must provide timetable and critical factors.

Project Schedule – What is the current phase of the project:

- No Preliminary Engineering plans – 0 points assigned.
- Preliminary Engineering has been initiated – Up to 10 points may be assigned.
- Environmental NEPA Document and ROW plans are completed – Up to 20 points may be assigned.
- Construction Plans are completed and permits are obtained –up to 25 points may be assigned.

Note: The foregoing assignment of points is not cumulative. Documentation must be provided by the County, Municipality, or SCDOT confirming the project's current phase, including any planning documents.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

- Identify where the project is currently listed within the regional COG's Long Range Transportation Plan (LRTP) or Transportation Improvement Plan (TIP). Include document title and page number. A copy of the page of the document should be included in the appendices, section (c).
- Identify whether the project is currently listed within SCDOT's priority list, Statewide Transportation Improvement Plan (STIP), or Multimodal Transportation Plan (MTP). Include document title and page number. A copy of the page of the document should be included in the appendices, section (d).
- Provide a list of any planning documents that support the project. The planning documents should be included within the appendices, section (f).

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

II.11 Include a complete description of the status of the project, and its purpose and need.

II.12 Include a clear statement of the entity (including contact name, address, and telephone number) responsible for each of the following activities: Must provide entity contact person for the listed activities.

- environmental studies
- design of project
- rights of way acquisition
- construction
- construction management
- operation
- maintenance

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

II.13 Include a brief, accurate description of how the rural project will promote economic development and provide the following information and data, and cite the full source and date for all information and data provided:

- Current and five-year history of unemployment data for the counties served by the project; and
- Include any resolutions from county or municipal governing bodies explaining how the transportation project is essential to economic development in those jurisdictions, or, if available, a resolution or certificate from the Department of Commerce's Advisory Coordinating Council Economic Development that the project is essential to economic development in the state.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

II.14 If the applicant asserts that the project in this application is essential to a specific existing economic development project(s), ¹ provide the following information and data and cite the full source and date for all information and data provided:

- Describe the specific existing economic development project(s) to which the project in the application is related and provide a strong, clear, and detailed explanation and justification of why the project in the application is essential to the existing economic development project.
- A map showing the existing specific economic development project site(s) in relation to the project in the application, and a map showing representations of the economic development project(s) and the completed project in the application.
- Amount and type of state and local government incentives legally obligated for the existing economic development project(s) and explain how the incentives are legally obligated.
- Private investment obligated for the existing economic development project(s).

¹ "Economic development project" is defined as a specific plant or facility primarily engaged in manufacturing, processing, or other qualifying industry that is receiving state and local government incentives authorized by Title 4, Chapter 29; S.C. Code Ann. § 4-12-30(D)(4)(a)(i), (ii); S.C. Code Ann. § 12-6-3360; Title 12, Chapter 44; and related sections of the S.C. Code, and is creating a significant number of full time jobs. This determination will be made at the discretion of the Board.

Summary of the Rural Project Program Application cont.

Evidence to substantiate the public benefit(s) shall include but not be limited to cont.:

For items II.13 and 14 above, the Board may assign up to the following respective scoring points based on its determination of the economic impact on the county and area served by the project:

- Minor economic impact- up to 5 points.
- Moderate economic impact-up to 10 points.
- Major economic impact- up to 15 points

The forgoing assignment of points is not cumulative.

The Board may assign up to 10 additional points if the county in which the project will be located is listed in Tiers III or IV of the most recent Information Letter issued by the SCDOR for various economic development categories (e.g., SC Information Letter #20-33).

The Bank may assign scoring points for the specific criteria listed in this Part II on the Public Benefit that it determines are justified based on its review and evaluation of the project, except where the points that may be assigned are expressly limited for specific criteria listed above in part II. In no event may the points assigned for all criteria for the Public Benefit exceed 50 points.

Summary of the Rural Project Program Application cont.

FINANCIAL PLAN – 50 POINTS (Maximum Score)

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to:

III.1 The total cost of the project, including source(s) used to determine cost. If required information is not provided, the application will be returned as incomplete.

III.2 Project with the total eligible costs from \$25 million to \$30 million. The local contribution, also known as a local match, must be at least 10% of the total eligible project costs. Meeting the minimum local contribution provides 15 points toward the Financial Plan. The applicant may be assigned 10 points for each increase in the local contribution of 5% of the total eligible project costs up to a maximum of 50 points. (See III.18 below on what costs local contribution and non-Bank financial assistance must cover).

For projects with total eligible project costs in excess of \$30 million, the Board may set the amount of the required minimum local contribution that it determines is justified. Meeting the minimum local contribution provides 15 points toward the Financial Plan. The applicant may be assigned 10 points for each increase in the local contribution of 5% of the total eligible project costs up to a maximum of 50 points.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.3 Source of local contribution may be in several forms. Refer to Section XIII.C of the Operating Guidelines. **The type of local match may receive the following scoring:**

- **Payments on project cost – 0 points**
- **Payments from Non-State Tax Revenues to the Bank that qualify to be pledged to Bank Bonds – up to 25 points**

III.4 Amount of financial assistance requested from the Bank. Must provide total request, or the application will be rejected.

III.5 Form of financial assistance requested (e.g. loan, grant, other). **Financial assistance in the form of loan rather than a grant may receive up to 25 points** if it covers the Bank's financing costs to provide the financial assistance and is secured by a credit worthy payment source in an amount, in a form, and with terms acceptable to the Bank in its discretion. The Bank may develop separate loan terms and conditions for rural projects. Must identify form of financial assistance or application will be returned as incomplete; preference will be given to projects requesting loans.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.6 Other proposed funding sources, with commitment of all parties. If yes, the applicant must provide details regarding the source type, commitment, and timing of funding availability. Did the County(ies) or other political subdivisions benefitted by the project:

- adopt impact fees to assist in financing the project any user fee dedicated to the project (see S.C. Code Ann. 6-1-930)?
- adopt any local hospitality tax or fee dedicated to the project to assist in its financing (see e.g. SC Code Ann 6-1-700 et seq., Local Hospitality Tax Act)?
- adopt any local sales tax dedicated to the project to assist in its financing (see e.g. SC Code Ann. 4-10-300 et seq., Capital Project Sales Tax Act)?
- adopt any user fee dedicated to the project to assist in its financing or future maintenance (See S.C. Code Ann 4-35-10 et. seq.)?
- implement any Tax Increment Financing Districts to assist in financing the proposed project (see, SC Code Ann. 31-7-10 - et seq. Tax Increment Financing)?
- implement any assessment program (see, SC Code Ann. 4-35-10 et seq.) to assist in financing the project?
- apply for funds from rural County Transportation Committees?

The Bank may assign up to 10 points to projects substantially supported by funds from rural County Transportation Committees.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.7 The anticipated schedule of when disbursement of funds will be required (cash flow diagram). If not provided, the application will be considered incomplete and returned to the applicant.

III.8 If applicable, a schedule of project receipt for local contributions on the amount listed, local match, or loan payments and description of risks of such payments such as taxes, user fees, toll rates, etc. (cite source or method used to determine projected revenues). If yes, and not provided the application will be considered incomplete and returned to the applicant.

III.9 Commitment to be responsible for future maintenance requirements. The applications will be considered incomplete if not addressed.

III.10 Explain contingency plans should the Board approve less than the requested financial assistance or actual project costs exceed estimated project costs and explain scope of the project reduction and how the costs can be reduced by the applicant. If the contingency plan is not provided, the application will be considered incomplete, and returned to the applicant.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.11 Did the County(ies) or other political subdivisions benefited by the project establish any development agreement programs with developers or property owners or entered into any development or other agreements to assist in financing the project? If the response is negative, please explain why no development agreement programs have been established or such agreements entered.

III.12 What, if any, zoning and/or other land use controls has the applicant (and/or other political subdivisions benefited by the project) established to foster the use of existing roads to connect developments? If the response is negative, please explain why no such zoning or other land use controls have been established.

III.13 Discount, to present value, any and all cash flows provided in the application using a 5% discount rate to include, without limit: The value of the applicant's future payments or contributions to the proposed project; and the value of any non-Bank third-party future payments or contributions to the proposed project; and the value of future expenditures associated with the proposed project. If not provided, the application will be considered incomplete, and returned to the applicant.

III.14 For purposes of cost estimates associated with the proposed project, please set forth the inflation rate assumed. If not provided, the application will be considered incomplete, and returned to the applicant.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.15 Should condemnation be needed to complete the proposed project, is the applicant and/or other political subdivisions benefited by the project willing to serve as the named party in such condemnation proceedings? If the response is negative, please explain why the applicant and/or other political subdivisions benefited by the project are unwilling to serve in such a role.

III.16 Whether the applicant and/or other political subdivisions benefited by the proposed project have sought sources of funding other than those listed hereinabove? If the answer is affirmative, please explain the status and amount of each other source of funding. If the answer is negative, please explain why such other sources of funding have not been sought or obtained.

III.17 A description and explanation of potential obstacles (legal issues, lack of local support, public opposition, right of way costs, environmental impact, and concerns, etc.) and methods the applicant proposes be used to manage or avoid those obstacles. If not provided, the application will be considered incomplete, and returned to the applicant.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

III.18 Local contribution, and all other non-Bank sources for the project must cover, at a minimum, all costs associated with the design of the project, including; traffic analysis, necessary federal/state approved environmental documentation, permitting approvals, any mitigation costs, right of way fees and acquisition, as well as any legal costs associated with these activities. Any federal funds to the project would not be considered a local contribution but would be a preferred funding source along with the local contribution for all costs associated with design, environmental documentation and permitting approvals, and if needed any right of way acquisition. Any remaining local/federal funds would be used toward the project construction costs. **See Operating Guidelines, Sections IV and XIII.C for more information.** For each 5% of the total project cost brought to the project through a combination of federal grants and/or MPO/COG/SCDOT federal/state program funds will add 5 points to the project Financial Plan up to a maximum of 25 points.

Summary of the Rural Project Program Application cont.

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to cont.:

- The Act requires the Bank Board to give preference to eligible projects which have local financial support. Local financial support may include local fees, grants, local taxes, or similar payments to pay project costs. The Bank Board reserves the right to determine the suitability and acceptability of the form and amount of each local financial contribution.
- The Bank may assign points for the specific criteria listed in this part III on the Financial Plan that it determines are justified based on its review and evaluation of the project, except where the points that may be assigned are expressly limited for specific criteria listed above in part III. In no event may the points assigned for all criteria for the Financial Plan exceed 50 points.

Summary of the Rural Project Program Application cont.

OTHER

The Bank Board may consider other significant factors not included in the above in determining award of financial assistance to a project.

EVALUATIONS OF ELIGIBLE APPLICATIONS

The Evaluation Committee of the Bank Board will review applications determined to be eligible by the Bank Board. The Committee will review each application and rate its strengths and weaknesses based on prescribed evaluation criteria. The Committee will issue a report to the Bank Board on each application. The final decision on financial assistance on each application will be determined by the Bank Board and the Bank Board may place conditions on financial assistance it provides.

Summary of the Rural Project Program Application cont.

PRESENTATIONS

By invitation from the Bank Board, an applicant may be given the opportunity to make a presentation to the Board. Presentations usually will occur before the Committee reviews the applications. Further presentations may be requested to answer any questions from the Board or the Committee.

ADDITIONAL PROVISIONS APPLICABLE TO ALL APPLICATIONS AND APPLICANTS

Projects and financial assistance approved by the Board must also be submitted for review and consideration to the SCDOT Commission and the Joint Bond Review Committee (JBRC) of the General Assembly prior to implementation. Please note that this application and consideration of it by the Committee and Board is subject to the SCTIB Act, Act 275 of 2016, and the Bank's Operating Guidelines, most recently revised 4/24/2021. Any award of financial assistance is subject to the availability of funds.

The General Assembly may enact a joint resolution allowing the Bank to fund a project without using the prioritization criteria provided in S.C. Code of Laws § 57-1-370(B)(8). The joint resolution must be specific as to the project and the amount authorized to be funded.

The Bank is not responsible for providing any additional financial assistance of any kind to a project beyond what it and the JBRC initially approve under any circumstances regardless of the actual cost of the project.

The Board assumes no liability for and will not reimburse any costs or liabilities incurred by applicants or others, whether provided financial assistance by the Bank for the project or not, in developing, submitting, or presenting applications.