

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF PORTSMOUTH, VIRGINIA
200 High Street, Suite
PORTSMOUTH, VIRGINIA 23704
PHONE: (757) 393-8804 - FAX: (757) 393-8392

LOCAL INCENTIVES PROGRAM

INTERIOR BUILD-OUT GRANT

Program Guidelines Application Process Information

For Fiscal Year 2020 (July 1, 2019 - June 30, 2020)

- I. Checklist
- II. Purpose
- III. Eligibility
- IV. Reimbursable Costs
- V. Application Process
- VI. Grant Funds Disbursement and Usage
- VII. Process Flow Chart
- VIII. Application Form (including W-9 form)
 - IX. Submission schedule

Local Inc	entives Program	Date Received
ı. Int	terior Build-Out Grant Application Checklist	Amt. Requested
	be completed by Economic Development Staff	Reimbursement
Applicant:	Property Address	
Eligibility		
	Property owners & tenants within the Portsmouth city lir	nits
	Copy of lease (if applicable)	
	Applicants who are new leaseholders and applying grants occupying the space, must document in the lease that teleprovements.	
	Property must be current with City taxes and fees	
	Property may NOT have outstanding codes violation* (Ex Property is identified as commercial, industrial, office, m Property is an existing improvement or an expansion into New construction is not eligible	ixed-use, or multi-family residential
	Property owners, who are not the subject business owners	er, must improve vacant
	space to: 1) create a vanilla shell space to market or 2) co	omplete tenant improvements for an
	under-contract new tenant entering into a lease	
	Existing business owners expanding to occupy more than	30% of its current square footage
	are eligible to apply.	
	Copy of "Articles of Incorporation" if applicable	
Pre-Applic		
	Attachments	
	Photographs of before interior & specific area(s) to be im	·
	Drawings or renderings (or detailed description) of propo	osed improvements
	Schedule of completion	
	Specific list of cost estimates or quotes from selected cor	
	DPOR licensed contractor if total cost is more than \$5,00	0
	Verification of property insurance	
	Marketing plan (for vacant space)	
Final Appl	ication	
	Signed/Notarized Grant Agreement (to include the quote	es selected for the actual project)
	Permit(s) if applicable	
	Commission approvals (if applicable)	
	Planning Commission DDC Histor	ic Preservation Other
	Proof of funds to complete project	
For Reimb	pursement	
	Meeting with Economic Development staff to review tha	t all invoices related to the project marked
	"Paid in Full" by contractor and canceled checks or credi	t card statements that verify payment
	Post-improvement photographs by Economic Developme	ent staff
	Property is free of code violations	

II. Purpose

The Interior Build-Out Grant (IBOG) program is an initiative to be a catalyst for business development within the City of Portsmouth limits, demonstrating a need of public investment to spur further investment from the private sector. The goal is to support business owners and commercial property owners with the rehabilitation of ground floor interior space in creating either a vanilla shell space or build-out improvements. Improvements must be permanent and stay with the building.

Vanilla shell space is defined as: The interior condition of either a new or existing building or suite in which the limited tenant improvements generally consist of heating/cooling with delivery systems, lighting, electrical switches and outlets, lavatories, a finished ceiling, walls that are prepped for painting, and a concrete slab floor

III. Reimbursable Costs

Allowable Improvements:

Please note:

- (1.) All improvements must be allowable through the City's Permits and Inspections Department (2.) IBOG is a **reimbursement** grant based on **verifiable evidence** of paid expenses in the form of invoices marked "paid in full" and **canceled checks** and/or **credit card statements that verify payment**
 - Architectural design costs (up to 25%)
 - Contracted labor related to any eligible improvements (including project management fees)
 - HVAC system
 - Interior walls
 - Interior plumbing
 - Interior electrical system including lighting
 - Flooring
 - Repair or restoration of architectural detailing
 - Up to 15% contingency may be reimbursed, as based on contractor's estimates

Prohibited Improvements

- Exterior improvements
- Improvements to interior space above the ground floor
- Fees charged by the City of Portsmouth
- Improvements in progress or expenses incurred prior to final approval
- New construction
- Security systems (i.e., cameras, window bars, etc.)

IV. Application Process

The IBOG application is a two-step process—there is a preliminary application and a finalized application. The reason for this two-step process is because the application requires documented approval from other City departments. A permit to begin work is required on all improvements.

The pre-application is to be submitted to the Department of Economic Development for review <u>and is not considered submitted if incomplete</u>. The pre-application identifies all required information and attachments to be produced by the applicant. Completed applications will be presented to the Economic Development Authority (EDA) for preliminary approval. Applicants will proceed to obtain appropriate approvals as described above. **EDA pre-approval is not a factor in obtaining other City approvals and the qualification standards do not parallel.**

The pre-application can become the finalized application if completed with City approvals. With final application, the applicant must outline to the EDA which of the two quotes provided during pre-application will be used in the execution of the project. The City of Portsmouth EDA would like to encourage the use of Portsmouth businesses in the execution of projects granted IBOG funds. To this end, the EDA Commissioners will look more favorably upon projects that use materials and labor from Portsmouth businesses.

With a finalized and complete application approved, the applicant moves into a Grant Agreement with the EDA, agreeing to accept the grant funds approved by the Authority and not to exceed 50% of actual verifiable paid expenses. If the grantee makes any changes to the pre-approved project during execution of the project, the grantee must notify the Economic Development office in writing in advance the changes.

Approval or denial of a pre-application lies within the discretion of the EDA Board of Commissioners, considering factors such as the degree to which the improvements contemplated by the pre-application further the goals of the program, the degree of the need for the improvements, the level of funding requested, the amount of program funds remaining for the year, and any other factors the Board may deem relevant.

V. Grant Funds

The Local Incentives Program is funded entirely by the Portsmouth EDA. IBOG is a matching, reimbursement program which requires the applicant to make the initial investment of the full project costs; half of the eligible costs will be paid as a reimbursement based on verifiable evidence of payment (canceled checks and/or receipts). Eligible costs are only those costs which qualify under Section III of these Guidelines and the Grant Agreement and directly and primarily benefit the ground floor space for which the IBOG is received. Costs which do not directly and primarily benefit this ground floor space are not eligible for the reimbursement calculation.

The maximum IBOG amount available for any approved vanilla shell space or leased premises is \$25,000. Where a single building or subdivided lot has multiple separate and distinct vanilla shell spaces or leased premises, each separate and distinct vanilla shell space or leased premise may be eligible for an independent IBOG in an amount up to \$25,000. Provided however, in no event shall any single building or subdivided lot (whichever is more restrictive) be eligible for more than \$75,000 in total IBOG funding.

Funding is available until the funding pool has been exhausted on an annual basis as appropriated.

All recipients are required to enter into an IBOG Agreement document. This document will establish the conditions of approval and terms of grant disbursement. Under no circumstances will funds be disbursed into a ratio higher than the matching requirements. Proof of costs paid by the applicant will be required before grant funds are to be disbursed. Grant payments will not be made if interior improvements deviate from those outlined in the Grant Agreement and/or have not been previously approved.

Grant funds are paid as a one-time reimbursement, not draws. The grantee must set a meeting with Economic Development Staff to review invoices/receipts and proof of payment.

VI. Process Flow Chart (Generalized)

·Applicant contacts the City of Portsmouth Department of Economic Development to express interetest in the program, discuss project plans, and verify eligibility.

· Applicant completes application and submits to Economic Development Staff for review.

· Application is presented to EDA for decision.

 \cdot If approved, applicant proceeds to obtain other necessary approvals. The applicant has 90 days to receive approvals.

·With necessary approvals, applicant may add approval documentation to application for completion.

 \cdot Applicant enters into a Grant Agreement with the EDA.

·From the date of the signed Grant Agreement, the applicant has 30 days to begin the project and 90 days to complete. (Extensions for an additional 90 days may be granted.)

· Applicant contacts Economic Development staff to request reimbursement. Staff will meet with the grantee to verify completion using digital photographs and review invoices/receipts and canceled checks or credit card payments.

VIII. Application

Page 6 of 9

APPLICANT INFORMATION	
Project Applicant Legal Name:	
Contact Person for Application:	
Contact Information - Address:	
Contact Information - Phone:	
Contact Information - Email:	
Address of Subject Property:	
Local Incentive Program Area:	
Business Number of Employees:	

STATEMENT OF NEED & PROJECT DESCRIPTION (ATTACH ADDITIONAL PAGES IF NECESSARY). Include photos of the ground floor interior space and photos of specific areas to be improved. Provide two quotes from qualified contactors for work to be completed. Provide a project timeline.

ELIGIBLE IMPROVEMENTS - CHECK ALL THAT APPLY							
Architectural design (up to 25%)	Plumbing						
Contracted labor related to any eligible improvements (including project management fees)	Repair or restoration of architectural details						
Certified green/sustainable interior improvement	Interior lighting						
HVAC system	Interior painting						
Flooring	Other						

SIGNATURES

All property/business owners, partners, etc. must sign this application form. If the property is owned by a legal entity, organization, or corporation, the applicant must supply corporate legal documents authorizing signer. If the applicant is a tenant, the property owner must sign where indicated below to consent to the application and the proposed improvements. If signing on behalf of an entity, please state the entity name and your position after the signature. If there are any questions, please call the Portsmouth Economic Development Authority at (757) 393-8804.

I have read and understand the program guidelines and application for the Interior Build-Out Grant (IBOG) program.

I understand that all grant awards are at the sole discretion of the Portsmouth Economic Development Authority.

The undersigned understands and agrees that all information furnished in connection with this application for the IBOG program involves the use of public funds and as such, may be made public pursuant to the statutes of the United States of America, the Commonwealth of Virginia, and the City of Portsmouth.

The application is not finalized until evidence of City approvals to commence improvements.

The deadline to submit above referenced approvals is ninety (90) days from the date of the approved Pre-Application award letter. Applicants may request ninety (90) day extensions. Requests for extension should be outlined in a letter directed to the EDA staff, the City of Portsmouth Economic Development Office. The first extension may be granted or denied by EDA staff as directed by the EDA. Any subsequent extensions must be at EDA's sole discretion and will require a vote of the Economic Development Authority Commissioners.

APPLICANT SIGNATURE	
Signature	Date
 Signature	 Date
 Signature	 Date
OWNER CONSENT (Required if Applicant is a tenant)	
I am the owner of the real property which is the subject application and the improvements contemplated her	···
 Signature	 Date

Form W-9
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.											
C	2 Business name/disregarded entity name, if different from above											
Print or type See Specific Instructions on page	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: Individual/sole proprietor or					Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any)						
Print or type	Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.				cod	Exemption from FATCA reporting code (if any)						
급등	Unter (see instructions) ▶			(Applies to accounts maintained outside the U.S.)								
,,,,	5 Address (number, street, and apt. or suite no.)	Requeste	Requester's name and address (optional)									
000	6 City, state, and ZIP code											
	7 List account number(s) here (optional)											
P	art I Taxpayer Identification Number (TIN)			_								
_	er your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avo	oid I	Socia	l se	curity	numb	er					
backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a</i>				Ī	7	-		- 1				
	on page 3.		r									
Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for				bye	r iden	tificati	on nun	ber				
guidelines on whose number to enter.					-							
Pa	art II Certification											
	der penalties of perjury, I certify that:											
	The number shown on this form is my correct taxpayer identification number (or I am waiting for	a numbe	r to b	e is	ssued	to me	e): and					
	am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b)								auan			
5	Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest on longer subject to backup withholding; and											
3. 1	am a U.S. citizen or other U.S. person (defined below); and											
4. T	he FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting	g is corre	ect.									
bec	tification instructions. You must cross out item 2 above if you have been notified by the IRS th ause you have failed to report all interest and dividends on your tax return. For real estate transa- rest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to	actions, i	tem 2	do	es no	t app	y. For	mortga	ige			

generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the

General Instructions

Signature of

U.S. person ▶

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

instructions on page 3.

Sign

Here

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (TIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- . Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- 1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- 2. Certify that you are not subject to backup withholding, or
- 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- 4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See What is FATCA reporting? on page 2 for further information.

Cat. No. 10231X Form **W-9** (Rev. 12-2014)

IX. Submission schedule

<u>Deadline</u> to Submit Application to the Department of Economic Development	EDA Meeting Date					
Tuesday, June 18, 2019	Tuesday, July 16, 2019					
Tuesday, July 23, 2019	Tuesday, August 20, 2019					
Tuesday, August 20, 2019	Tuesday, September 17, 2019					
Tuesday, September 17, 2019	Tuesday, October 15, 2019					
Tuesday, October 22, 2019	Tuesday, November 19, 2019					
Tuesday, November 19, 2019	Tuesday, December 17, 2019					
Tuesday, December 24, 2019	Tuesday, January 21, 2020					
Tuesday, January 21, 2020	Tuesday, February 18, 2020					
Tuesday, February 18, 2020	Tuesday, March 17, 2020					
Tuesday, March 24, 2020	Tuesday, April 21, 2020					
Tuesday, April 21, 2020	Tuesday, May 19, 2020					
Tuesday, May 19, 2020	Tuesday, June 16, 2020					

Decisions of the Board of Commissioners on pre-applications may be delayed by cancelled or adjourned Board meetings, deferrals by the Board, or for other reasons.