



ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF PORTSMOUTH, VIRGINIA
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LOCAL INCENTIVES PROGRAM

INTERIOR BUILD-OUT GRANT

Program Guidelines Application Process Information

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

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Local Incentives Program

Date Received _____

I. Interior Build-Out Grant Application Checklist
To be completed by Economic Development Staff

Amt. Requested _____

Reimbursement _____

Applicant: _____ Property Address _____

Eligibility

- _____ Property owners & tenants within the Portsmouth city limits
- _____ Copy of lease (if applicable)
- _____ Applicants who are new leaseholders and applying grants funds to tenant improvements prior to occupying the space, must document in the lease that tenant is responsible for interior improvements.
- _____ Property must be current with City taxes and fees
- _____ Property may NOT have outstanding codes violation* (Exception: IBOG used to rectify)
- _____ Property is identified as commercial, industrial, office, mixed-use, or multi-family residential
- _____ Property is an existing improvement or an expansion into existing **first floor** space
- New construction is not eligible**
- _____ Property owners, who are not the subject business owner, must improve vacant space to: 1) create a vanilla shell space to market or 2) complete 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-Application

Required Attachments

- _____ Photographs of before interior & specific area(s) to be improved
- _____ Drawings or renderings (or detailed description) of proposed improvements
- _____ Schedule of completion
- _____ Specific list of cost estimates or quotes from selected contractor(s) - **2 Quotes Required**
- _____ DPOR licensed contractor if total cost is more than \$5,000
- _____ Verification of property insurance
- _____ Marketing plan (for vacant space)

Final Application

- _____ Signed/Notarized Grant Agreement (to include the quotes selected for the actual project)
- _____ Permit(s) if applicable
- _____ Commission approvals (if applicable)
 - _____ Planning Commission _____ DDC _____ Historic Preservation _____ Other
- _____ Proof of funds to complete project

For Reimbursement

- _____ Meeting with Economic Development staff to review that all invoices related to the project marked "Paid in Full" by contractor **and** canceled checks or credit card statements that verify payment
- _____ Post-improvement photographs by Economic Development 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 **and is not considered submitted if incomplete**. 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.

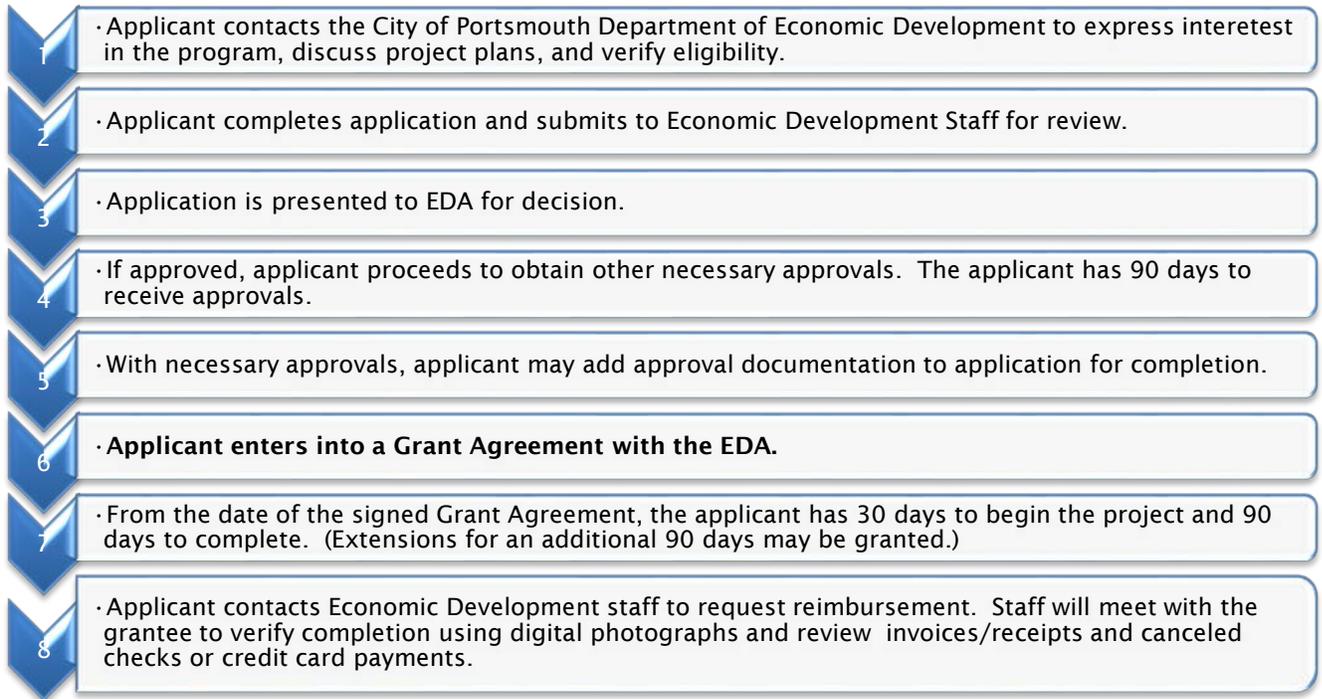
The maximum IBOG amount available for any approved vanilla shell space or leased premises is \$25,000. Where a single building or subdivided lot has multiple separate and distinct vanilla shell spaces or leased premises, each separate and distinct vanilla shell space or leased premise may be eligible 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)



VIII. Application

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 of this application. I hereby consent to this application and the improvements contemplated herein.

Signature

Date

IX. Submission schedule

<u>Deadline to Submit Application to the Department of Economic Development</u>	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.