



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 2018 (July 1, 2018 - June 30, 2019)

- I. Checklist
- II. Purpose
- III. Eligibility
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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.

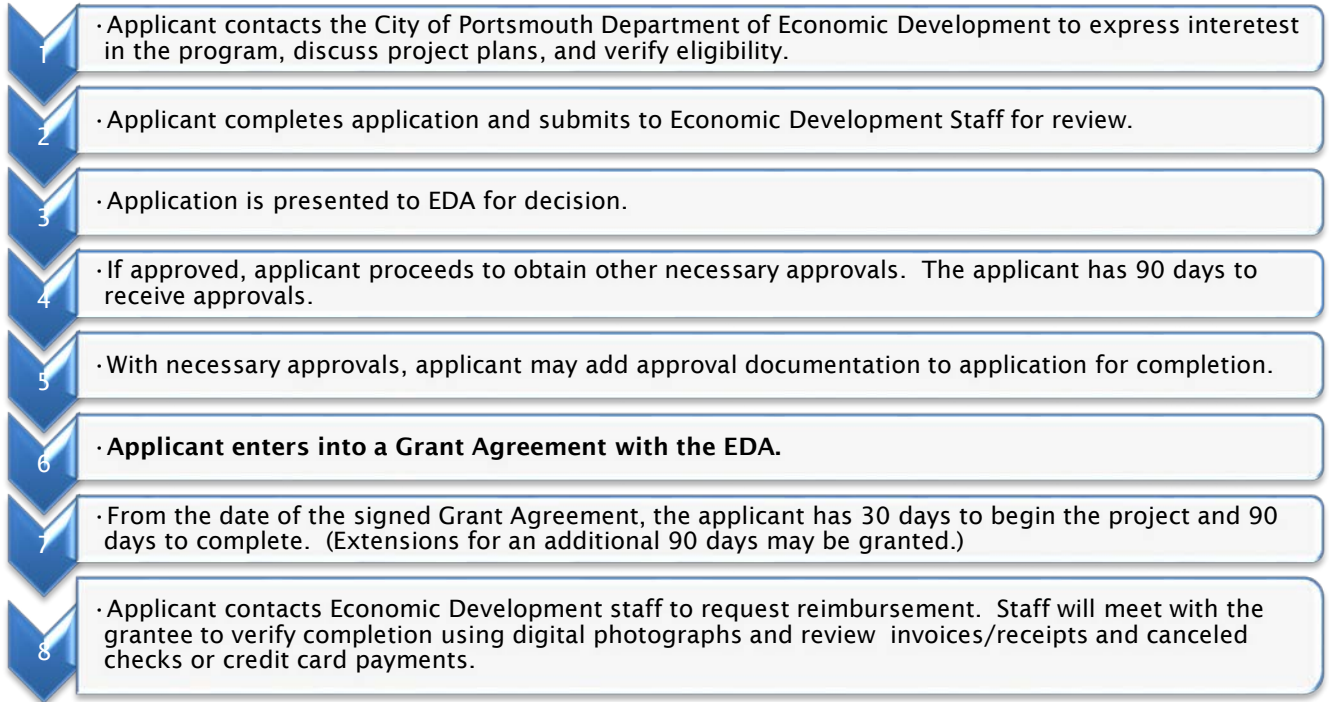
The maximum IBOG amount available for any approved vanilla shell space or leased premises is \$25,000. Where a single building or subdivided lot has multiple separate and distinct vanilla shell spaces or leased premises, each separate and distinct vanilla shell space or leased premise may be eligible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

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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.

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification; check only **one** of the following seven boxes:

Individual/sole proprietor or single-member LLC  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
 Other (see instructions) ▶ \_\_\_\_\_

C Corporation  
 S Corporation  
 Partnership  
 Trust/estate

**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.

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any) \_\_\_\_\_  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_  
*(Applies to accounts maintained outside the U.S.)*

**5** Address (number, street, and apt. or suite no.) \_\_\_\_\_  
 Requester's name and address (optional) \_\_\_\_\_

**6** City, state, and ZIP code \_\_\_\_\_

**7** List account number(s) here (optional) \_\_\_\_\_

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid 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 *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

**Social security number**

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or

**Employer identification number**

		-									
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**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign Here**

Signature of U.S. person ▶ \_\_\_\_\_

Date ▶ \_\_\_\_\_

**General Instructions**

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](http://www.irs.gov/fw9).

**Purpose of Form**

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 (ITIN), 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:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- 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
- 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.



## IX. Submission schedule

<u>Deadline</u> to Submit Application to the Department of Economic Development	EDA Meeting Date
<b>Tuesday, June 26, 2018</b>	Tuesday, July 17, 2018
<b>Tuesday, July 31, 2018</b>	Tuesday, August 21, 2018
<b>Tuesday, August 28, 2018</b>	Tuesday, September 18, 2018
<b>Tuesday, September 25, 2018</b>	Tuesday, October 16, 2018
<b>Tuesday, October 30, 2018</b>	Tuesday, November 20, 2018
<b>Tuesday, November 27, 2018</b>	Tuesday, December 18, 2018
<b>Tuesday, December 25, 2018</b>	Tuesday, January 15, 2019
<b>Tuesday, January 29, 2019</b>	Tuesday, February 19, 2019
<b>Tuesday, February 26, 2019</b>	Tuesday, March 19, 2019
<b>Tuesday, March 26, 2019</b>	Tuesday, April 16, 2019
<b>Tuesday, April 30 2019</b>	Tuesday, May 21, 2019
<b>Tuesday, May 28, 2019</b>	Tuesday, June 18, 2019

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.