

## **Business Development Grant for Vacant Properties (BDGVP)**

### **PURPOSE**

This incentive provides a grant to eligible businesses and property owners in the amount equal to a percentage of new City business tax revenues generated, as determined by the Commissioner of the Revenue, based on the incremental increase over a five-year period, paid annually in the arrears for improvements to vacant commercial properties.

The policies and procedures contained within this document set forth the criteria by which the EDA may determine which economic development activities may be supported with funds made available through the EDA's Business Development Grant for Vacant Properties (BDGVP).

### **TERMS AND CONDITIONS**

Any incentive administered through the Winchester Economic Development Authority (EDA) that affects revenue collection for the General Fund must be approved by the Common Council for the City of Winchester through inclusion the incentives use on the project's site plan and/or planned unit development (PUD) application.

The property must have been vacant for at least two years prior to the rehabilitation. The project must be a "substantial rehabilitation," where the project cost is greater than or equal to 75% of the assessed value of the property prior to rehabilitation.

The grant will be paid over a five-year period based on annual calculation of all qualified business taxes paid to the City. The grant payout period begins at the end of the calendar year in which the improvement project is completed. Improvement projects must be completed within twenty-four (24) months of the EDA's receipt of the BDGVP application.

Qualifying taxes may include annual totals for real estate tax, machinery and tools tax, business personal property tax, local option sales tax, business license taxes, lodging taxes, food and beverages taxes, and admissions taxes.

The grant amount will be based on the following criteria:

- 25% of all business taxes for rehabilitated vacant structures between 5,000 and 19,999 square feet
- 50% of all business taxes for rehabilitated vacant structures between 20,000 and 39,999 square feet
- 65% of all business taxes for rehabilitated vacant structures larger than 40,000 square feet

All plans for properties located within the Primary or Secondary Districts must be approved by the Board of Architectural Review to ensure consistency with the architectural theme.

## **APPLICATION PROCESS**

The applicant must initiate the BDGVP process prior to beginning any qualifying work on the property.

A current assessed valuation of the property, to be provided by the Commissioner of the Revenue (CoR), is required before qualifying work can begin on the improvement project. This assessment will serve as the baseline for incentive calculation and is a required attachment to the BDGVP application. The base value will generally coincide with the assessed value effective the year the application is made devoid of any changes to the structure(s) located on the property. An increased assessment due to a change in value (e.g. reassessment) will not affect the baseline assessment value.

Applicants should be aware that the CoR may assess a fee to provide such current property assessment valuation. Questions regarding the fee and assessment process can be directed to the CoR, (540) 667-1815.

After acquiring the current assessment, applicants should submit the BDGVP application to the Winchester EDA with verification from the CoR of the current assessment attached on the last page of this application. The applicant shall provide photos of the property prior to rehabilitation at this time. All improvements must occur within twenty-four (24) months from the date the Winchester EDA initially receives the application.

Details of the proposed project, including specifications of material type and contractors bid, must be enclosed with the application.

If an insurance claim is filed for the work requested in this application, supporting documentation including amount awarded is required at the time of the application.

Applications with all required materials will be forwarded to the Finance Committee of the Winchester Economic Development Authority for preliminary review prior to a full board vote for approval. Grant approval and award amounts are at the discretion of the Economic Development Authority Board. Full grant amounts are not guaranteed.

Any information submitted by the applicant that is intended to remain confidential shall be noted with specificity. The EDA shall determine (with advice from legal counsel if needed) whether any such information qualifies for confidential treatment under applicable Virginia law. Any questions regarding confidential treatment should be discussed with the EDA prior to the submission of any information requested by the applicant to remain confidential.

If approved by the EDA, the applicant will receive a letter from the EDA detailing the specific terms of the approval. Once approved, use of the BDGVP and the approval letter from the EDA must be added to the project's site plan and/or planned unit development (PUD) application and receive approval from the Winchester City Council.

The project can occur after receiving all required permits and approvals,

Approved grants will be paid up to a five-year period, paid annually in the arrears for improvements to vacant commercial properties.

Only one application may be approved per physical address, as determined by tax map ID, within a five-year period. Subsequent applications outside of the five-year interval may be considered if the building becomes vacant for a period greater than 2-years.

## **ELIGIBLE AREA**

The incentive is only available for properties located within the Enterprise Zone (EZ).

## **ELIGIBLE APPLICANTS**

Any property owner of a commercial, mixed-use\*, and/or industrial property within the City of Winchester Enterprise Zone (EZ) is eligible to apply. Only one grant will be awarded per business and/or physical address.

In order to receive incentives from the EDA, applicants must be in good standing with or otherwise recognized by the State Corporation Commission as eligible to transact business in Virginia, as well as recognized by the CoR and Treasurer for the City of Winchester as eligible to transact business in the City, in possession of a current business license to operate in the City (as applicable) and not be delinquent in paying any prior taxes.

The EDA shall not discriminate on the basis of race, religion, sex, color, age, sexual orientation or national origin in reviewing and approving applications and administering the incentive program.

\*"Mixed-use" is defined as building incorporating residential uses in which a minimum of 35% of the usable floor space is devoted to commercial, office, or industrial purposes.

## INELIGIBLE APPLICANTS

Non-profits organizations, banks, savings and loan associations, non-independently owned gas stations, used car lots, adult entertainment establishments, check cashing outlets, tobacco, vape, and furniture and appliance rental shops are ineligible for EDA incentives.

## BDGVP APPLICATION

Name of Applicant:	Legal Name of Company:
Telephone Number:	Company Telephone Number
Mailing Address:	Business Address:
E-mail Address:	Tax Parcel Number:
Tax ID Number:	Web Address:

## OWNERSHIP

Proprietor, partners, key personnel, officers, directors and all shareholders 100% ownership must be show. Use separate sheet if necessary.

Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	
Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	

Name:	Title:	# of Years with Business:
Address:		% Owned:
Telephone #:	Email:	

**PROJECT**

Describe the overall project to be completed including the estimated square footage of commercial space in the project. *If more space is needed, please continue on a separate sheet.*


**PROJECT TIMELINE**

When will the project begin? When will the project be completed? If the project will be carried out in stages, please list the estimated completion date of each stage.


**VERIFICATION OF CONSTRUCTION AND REHABILITATION COST**

Attach a copy of all building permit applications, a copy of all contracts or invoices for any work not requiring a building permit, and a copy of the final certificate of occupancy or certificate of completion, as applicable):

1. Building square footage (heated): \_\_\_\_\_

2. List of businesses to be located in the building (list must be updated annually):


3. Are any of these businesses located in the City of Winchester?

Yes:  No:

If so, is this a relocation or expansion?

Yes:  No:

4. Does your contractor have a Winchester business license?

Yes:  No:

5. Date the building was vacated: \_\_\_\_\_

6. Date the building will be reopened for business: \_\_\_\_\_

7. Assessed value of the property prior to construction: \_\_\_\_\_

**FINANCIAL COMMITMENT**

If able, please attach detailed invoices relating to the amount of capital investment that you will leverage for the project.

**CERTIFICATION**

I certify the above information and statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of receiving a grant. I authorize the Economic Development Authority of the City of Winchester to make inquiries as necessary to verify the accuracy of the statements made and to determine grant worthiness.

I give my consent for the Commissioner of the Revenue to divulge and the City Manager and his/her designee(s) to receive any and all information pertaining to the assessment, payment and/or collection of taxes paid by the applicant. Such information to be used for the sole purpose of administering this incentive.

I authorize the EDA to investigate the applicant's and affiliated companies' credit and financial records including bank records. As part of the investigation, I authorize the

EDA to request and obtain consumer credit reports on the applicant and affiliated companies' in connection with the opening, monitoring, renewal, and extension of this other grant requests with the EDA. I understand that the EDA may ask for additional information not listed as they deem necessary to complete my application.

Funds will not be disbursed if improvements do not comply with the project as approved. Applicant agrees to terms as set forth above and agrees to abide by grant policies.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

Applications can be submitted in person, by mail, or electronically to the Economic Development Authority located at 117 E. Piccadilly St., Ste. 301, Winchester, VA 22601. Applications may also be emailed to [econ.dev@winchesterva.gov](mailto:econ.dev@winchesterva.gov).

If the project is deemed eligible for the incentive you will be notified as soon as this determination is made by the EDA board. Reimbursement amounts cannot be determined until the close of the calendar year, at which time the amount and proof of payment will be determined for all business taxes on which the BDGVP is calculated.

### NECESSARY DOCUMENTS

Application Checklist	Check Off When Completed	For Office-Use Only
Completed BDGVP Application.		
Initial assessment from the Commissioner of Revenue before rehabilitative work starts		
A written business plan including a brief company history detailing when it started or is to start, legal structure, management, markets, and products		
A description of the proposed amount of capital investment for the project and a timeline of the investment schedule		
Dated invoices for all prospective work included in the grant request.		

Attach a copy of all building permit applications, a copy of all contracts or invoices for any work not requiring a building permit, and a copy of the final certificate of occupancy or certificate of completion, as applicable):		
Financial Commitment. (A document detailing how much capital investment you will be leveraging personal equity and lending for the project.)		
Photos of the property prior to rehabilitation.		
If applicable, details if you, or your business, is involved in any lawsuits, pending or otherwise.		
If applicable, details regarding any insurance claims for the work performed.		
If applicable, letters from all interested parties (if the building is under lease or contract) agreeing to the scope of the work.		

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**INTERNAL USE ONLY**

Amount requested:
Amount suggested after review:
Approval by EDA (Y/N, amount, date):
Check issued (date):
Comments:



**COMMISSIONER OF THE REVENUE:**

(Revenue Code 111-0000-313.03-31)

Account No: \_\_\_\_\_ Tax Map No: \_\_\_\_\_

Application Fee Received on Date: \_\_\_\_\_

Current Assessment:

\$ \_\_\_\_\_ by \_\_\_\_\_ Date: \_\_\_\_\_

Commissioner Signature: \_\_\_\_\_

Comments: