Virginia Enterprise Zone

Real Property Investment Grant Instruction Manual

Grant Year 2017

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ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zone (EZ) Real Property Investment Grant (RPIG). It has been compiled for the applicant (Qualified Zone Investor) and addresses the applicant's responsibilities in completing the application materials.

Specific icons have been used throughout the manual to provide user-friendly instructions. Frequently asked questions have been included within each grant section and are denoted by a question mark symbol ? within a text box. Additionally, important definitions, guidelines, and reminders are also emphasized in highlighted text boxes. Snapshots of the actual application forms are pasted within the manual to provide step-by-step instructions for each component of the application. Details pertaining to required application materials have been indicated by, while details pertaining to online sbmittals have been indicated by . Details pertaining to the timeline for submission are indicated by . Lastly, for your convenience, the definitions of key terms are included in the glossary on Pages 26-28. These terms are defined by statute and program regulation and must be followed.

A representative of the Qualified Zone Investor is expected to complete all of the required application components. An independent Certified Public Accountant (CPA), licensed in the Commonwealth of Virginia, must attest to the application materials. For specific information on CPA eligibility, see the text box on Page 25.

The Real Property Investment Grant Application Instruction Manual is organized as follows:

- An overview of the grant amount and eligibility criteria;
- General limitations;
- Preliminary information for applicants to gather;
- Step-by-step instructions for completing the required application and supplemental materials.

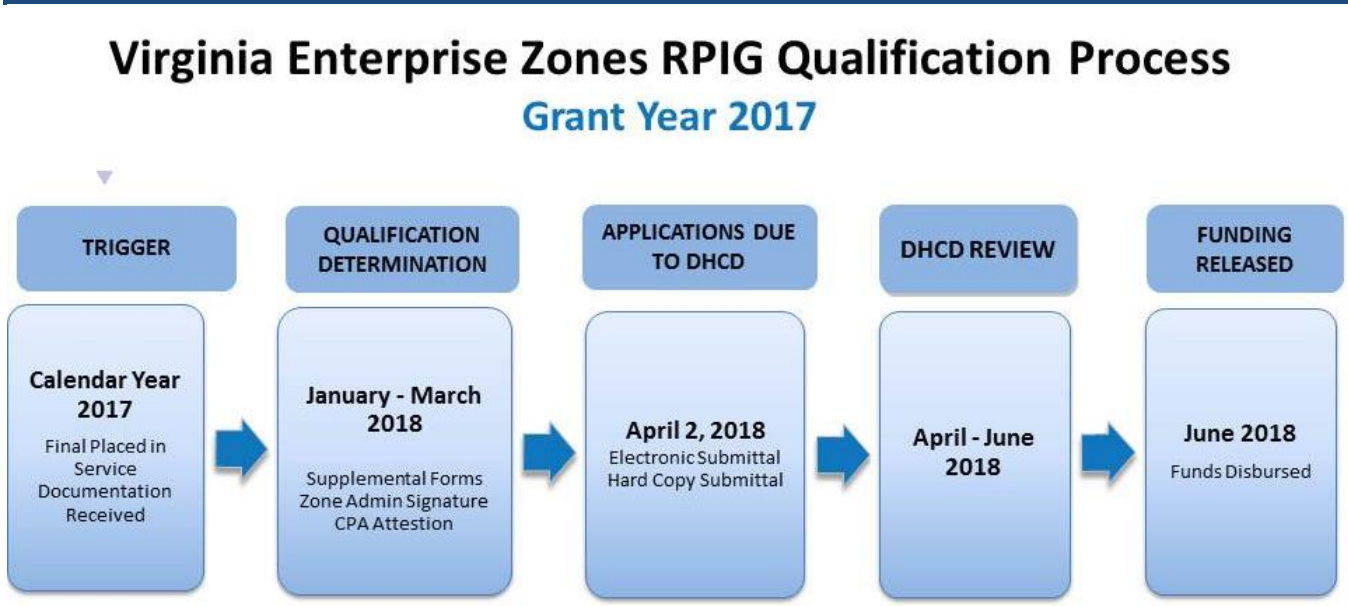
ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

Enterprise Zone grants are subject to an annual appropriation by the General Assembly. By statute, the Job Creation Grant (JCG) is required to receive funding priority. After fully funding the JCGs, remaining funds will be allocated to the Real Property Investment Grants (RPIG) and the amount paid to each RPIG applicant will be prorated proportionally should grant requests exceed the remaining funds.

RPIG Proration

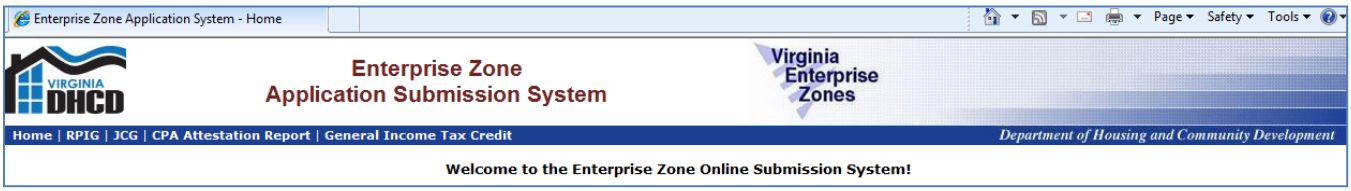
As indicated above, Job Creation Grants receive funding priority. Each year, JCGs are paid out at 100 percent. The remaining funding in the annual appropriation is then utilized to fund RPIGs. In grant years in which RPIG requests exceed the available appropriation, grants are will be prorated. In Grant Year 2016, RPIGs were funded at a prorated amount of approximately 73 cents per dollar requested. In Grant Year 2015, RPIGs were funded at a prorated amount of approximately 67 cents per dollar requested.

GRANT YEAR 2017 TIMELINE



ACCESSING THE APPLICATION AND ADDITIONAL INFORMATION

The Qualified Zone Investor is expected to complete and submit all required application components. The application form, supplemental materials, and all supporting information are available on the EZ Application Submission System site under the *Real Property Investment Grant (RPIG)* header. The EZ Application Submission System site can be found here: https://dmz1.dhcd.virginia.gov/EZApplication/.



As part of the application process, an independent Certified Public Accountant (CPA), licensed in Virginia, must attest to these application materials. The ***CPA Attestation Report*** is required and must be submitted with all RPIG grant applications. The ***Agreed upon Procedures for CPA Attestations*** and ***Attestation Report Templates*** are available on the EZ Application Submission System.

SUBMITTAL REQUIREMENTS

The application process for the RPIG involves two components; the electronic submittal, and the submittal of a signed hard copy of **Form EZ-RPIG**, as well as the required supplemental forms and CPA Attestation Report.

The application form(s), final CPA Attestation Report form, and all required documentation are due by April 1st of the calendar year subsequent to the grant year (Form EZ-RPIG Part IV, Box 2). **If the April 1st deadline falls on a weekend or holiday, applications are due the next business day (April 2, 2018).**

Any application submitted without the required CPA Attestation Report or submitted after the deadline will be considered **late**. Such applications are held until DHCD determines that funds remain after fully funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first served basis. **Please keep in mind that DHCD is unable to pre-qualify any applicants.**

Online Submittal

All applicants are required to submit electronically via the EZ Application Submission System. Online applications offer an auto-calculation feature and enable a more efficient processing. Online applications must be submitted through the system by no later than **11:59 PM, April 2, 2018 (EST)**. Applicants will be prompted to save and print the completed application as part of the online submittal process.

Once the "Submit" button is clicked, applicants will be automatically prompted to print a PDF of the completed application. This is the copy to be signed by the Local Zone Administrator and mailed in with the required supplemental materials.

Paper Submittal

The signed hard copy of **Form EZ-RPIG** and all other supplemental materials must also be submitted by the April 1st deadline (or next business day if weekend or holiday). The signed application materials should be mailed via United States Postal Service certified mail, return receipt requested and postmarked no later than April 1st; or shipped via UPS, Fed Ex or another service where shipping can be tracked with a shipped date no later than April 1st. The hand delivery of application is discouraged. **If the April 1st deadline falls on a weekend or holiday, applications are due the next business day (April 2, 2018).**

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Submittal of Multiple Applications

If submitting more than one application, each grant application and associated **materials should be sent separately** via certified mail, return receipt requested. Due to the high volume of applications received, DHCD cannot guarantee proof of the receipt of each application when multiple applications are submitted together.

Application Confirmations

Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant's attention prior to certain deadlines. Applicants will receive confirmation emails in the following order:

1. Successful submission of the online application
This email will indicate the date and time of the submittal and will also include a reminder to print the application and send in the signed hard copy and all other required materials (including the CPA Attestation Report and supplemental forms) by the April 1st deadline (or next business day if weekend or holiday). DHCD recommends applicants retain confirmation emails with their grant records.

2. Receipt of hard copy application and required materials
Once the hard copy of the application is received, an email will be sent to the applicant stating the date of receipt. If this email is not received within 10 business days of delivery, please contact DHCD. DHCD recommends applicants print and keep a copy of this email with their grant records. DHCD strongly recommends that applications are mailed with delivery confirmation, as DHCD is not responsible for items lost in the mail.

3. Notification of Deficiencies
DHCD will notify applicants by May 15th in cases where any additional information is required due to application deficiencies.

4. Notification of Resolution of Deficiencies
Applicants must resolve any identified deficiencies by June 1st. Once the applicant provides the requested information, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

REAL PROPERTY INVESTMENT GRANT QUALIFICATION

RPIGs are available for investments made to industrial, commercial, or mixed-use properties located within the boundaries of Enterprise Zones. Grants are available to Qualified Zone Investor in amounts up to 20% of the qualified real property investment, not to exceed $200,000 per building or facility within a five-year period.	
Eligibility Properties	• The property must be located within the boundaries of an Enterprise Zone. • The building or facility must be commercial, industrial, or mixed-use. • Mixed-use is defined as a building incorporating residential uses in which a minimum of 30% of the useable floor space is devoted to commercial, office, or industrial use.
Eligible Investments & Thresholds	• For the rehabilitation or expansion of an existing structure, the Qualified Zone Investor must capitalize at least $100,000 in Qualified Real property Investments to be eligible. • For new construction projects, the Qualified Zone Investor must capitalize at least $500,000 in Qualified Real property Investments to be eligible. • Investments in Machinery & Tools and Business Personal Property are **not** considered Real Property and should not be included in RPIG calculations.

Eligible Applicants	• Applicant must be the entity that capitalizes the investment on their books for tax purposes.
	• The following entities are prohibited from applying for the RPIG:
	  • Units of local, state, or federal government (typically FEIN 546)
	  • Any entity that does not capitalize the investment.

Grant Term	• Five-year periods beginning with the first qualification year in which a grant was awarded for the subject building or facility. • After the conclusion of a five-consecutive-year period, the property begins another eligibility period and the grant cap is restored.
Grant Cap	• Grant awards are capped per building/ facility over a five-year term based on the cumulative level of investment starting with the qualification year in which a grant was first awarded. • Grants may not exceed $100,000 per building or facility in a five-consecutive-year period, where the total investment is **less** than $5 million. • Grants may not exceed $200,000 per building or facility in a five-consecutive-year period, where the total investment is **more** than $5 million.
Grant Calculations	• The dollar amount of an RPIG is determined by the amount spent on qualified real property investments. • Grants are available in amounts up to 20% of the qualified real property investment OVER the respective eligibility threshold, capped based on the limits indicated above.

General Limitations

- Properties that have previously qualified for the RPIG within the current 5-year period are available online at https://dmz1.dhcd.virginia.gov/EZApplication/. Use the RPIG Award Schedule to verify that your property has not received an RPIG in the past 4 years. If the property is listed on the Award Schedule, the property may have a cap on future grant requests until the 5-year period has passed.

- A Qualified Zone Investor may not apply for the RPIG for investments incurred in a previous grant year or for which Real Property Improvement Tax Credits were received.

- Unlike with JCGs: retail, restaurants, and personal service establishments are eligible for RPIG, and non-profit entities are eligible to apply.

ELIGIBLE PROPERTIES

The Real Property Investment Grant (RPIG) is available for the rehabilitation, expansion, or new construction of commercial, industrial, or mixed-use buildings/facilities located within the boundaries of Virginia Enterprise Zones. The program defines eligible mixed-use properties as those incorporating residential uses in which a minimum of 30% of the useable floor space is devoted to commercial, office, or industrial use. In other words, to be eligible for the RPIG, no more than 70% of the useable floor space in a mixed-use building or facility may be devoted to residential use.

The first thing a potential RPIG applicant should do is contact the Local Zone Administrator (LZA) to confirm the building or facility is within the boundaries of an Enterprise Zone. Each zone has a unique LZA. Contact information for Local Zone Administrators is available online at the following link: https://dmz1.dhcd.virginia.gov/EZApplication/ZoneAdminInfo.aspx.

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How does one distinguish between a building and a facility?

For grant purposes, a facility is a complex of buildings, co-located at a single physical location within an Enterprise Zone, all of which are necessary to facilitate the conduct of the same trade or business. A facility typically represents a group of buildings under common ownership, management, and operations.
Examples of Facilities: Mall, lumber mill plant, hotel with multiple buildings.

Common management and operations means that the group of buildings is designed to function as a unit, such that in the case of tenants, a management company dictates their hours of operations, etc. Clustered buildings that are not related operations but choose to co-locate for convenience or by coincidence do not constitute a facility. However, clustered buildings that share operations, amenities, and employees would constitute a facility.

If you are unsure whether your property is considered a building or part of a facility, please contact DHCD at ezone@dhcd.virginia.gov or (804) 371-7030 for clarification.

ELIGIBLE APPLICANTS

Any Qualified Zone Investor (entity or individual) capitalizing the costs associated with the real property investment may apply for the RPIG. A Qualified Zone Investor may be a:

- **Property owner (occupant or non occupant)**
- **One of multiple owners within a building**
- **Tenant**
- **Developer**

For Qualified Zone Investors applying as a tenant or as an owner of space within a building, supplemental forms verifying coordination with the owner of the property, other tenants and/or other owners are required. Coordination requires **all owners and tenants within a multi-owner/tenant building** or facility to provide their (notarized) signature(s) and square footage leased/owned as indication of their understanding that RPIG awards are capped per building or facility. This is to ensure that no more than the applicable grant cap is requested within a five-consecutive-year period for the building or facility.

Multiple Owners in a Building/Facility

In the case where the Qualified Zone Investor owns space within a building/facility, the applicant will need to coordinate qualification (as described above) with all other owners within the building/facility.

The Qualified Zone Investor applying for an **RPIG must have adequate documentation** such as a deed of trust or an official property assessment to indicate the portion of the building (square footage) he/she owns on the date of issued placed in service document. The applicant must also request supporting documentation to determine the portion of the building that is owned by the other individuals or entities.

In cases where the required coordination does not take place, DHCD will determine the maximum grant amount available based on the proportion of the building the applicant owns. For an example of how DHCD applies the proration formula, see the scenario on Page 22 of this manual.

Multi-Tenant/Owner Eligibility Proration Formula

If no coordination has taken place (as described in the information to the left of this box), DHCD will implement its proration procedures for such buildings based on the useable floor space leased/owned by the Zone Investor.

1. The maximum grant amount available (either $100,000 or $200,000) be will determined by the cumulative qualified real property investments made to the building/facility within the consecutive five-year period.
2. DHCD will then multiply the applicable grant cap by the percent of the building's useable floor space for which the tenant has a lease or for which the owner has a deed of trust.
3. The grant cannot exceed this amount or 20% of the applicant's qualified real property investment made in excess of the applicable investment threshold (not to exceed the maximum investment cap), whichever is less.

Tenants

Tenants may apply for qualified real property investments made to the portion of the building for which they hold a valid lease, only if the improvements were made directly by the tenant and not the owner of the property. Only leasehold improvements made directly by a tenant or improvements made under a capital lease are considered grant-eligible.

Tenant applicants are required to submit written, notarized consent from the owner of the building/facility. If required by the owner, the applicant will need to coordinate qualification with the other tenants; otherwise DHCD will implement the proration formula explained in greater detail on page 22.

Investment	Applicant
Leasehold improvements made directly by tenant	Tenant applies for RPIG
Improvements made under a capital lease	Tenant applies RPIG
Improvements paid for as part of an operating lease	Tenant may not apply for RPIG

Developers

In the case of a developer who capitalizes the real property investments but does not currently own the building, the developer must receive consent and coordinate with the building owner(s), and this should be reflected in the sales contract with the new owner(s) including notification of the grant availability and the developer's intent to apply. In that scenario, the developer would not be required to coordinate and should instead provide the contract to DHCD.

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If I built a new building and sold the office space within the building prior to receiving my final CO, would I be eligible to apply for the maximum grant amount?

Only if your intention to apply for the full grant amount was stipulated in the sales contract with the new owners (which you will need to provide to DHCD). If there was no stipulation, the grant request must be coordinated with the other owners of the building as of the date the issued Certificate of Occupancy or other applicable final placed in service documentation.

DETERMINATION OF GRANT YEAR

An applicant must apply for the RPIG for the calendar year in which the building was "placed in service." To be eligible for Grant Year 2017, the placed in service documentation must be approved within the 2017 calendar year (between **January 1st, 2017 and December 31st, 2017**). The RPIG application is due April 1st of the calendar year following the placed in service date. If the April 1st deadline falls on a weekend or holiday, applications are due the next business day. For example, a construction project that receives the final CO on May 11, 2017, would submit a Grant Year 2017 RPIG application to DHCD by **April 2nd, 2018** (April 1st is a Sunday in 2018).

The RPIG application may only include qualified real property investments that were completed under the final placed in service document provided and capitalized by the Qualified Zone Investor.

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The **placed in service date** is:

- The date in which the final, approved **Certificate of Occupancy (CO)** is issued;
- The date in which a **final building inspection** is approved for work done at the property;
- In cases where the locality did not require permits, the date of a **licensed third party inspector's report** which states that the project is complete.
- More details on Placed in Service Documentation available on Pages 13 and 17.

Due to statutory restrictions, DHCD is unable to process applications with placed in service documentation from previous calendar years, such as a final building inspection or final CO issued in 2016. Also, properties placed-in-service during 2018 will need to wait until the next grant cycle to apply for funding.

QUALIFIED REAL PROPERTY INVESTMENTS

Prior to beginning an RPIG application, a Qualified Zone Investor should determine if they meet the basic qualification criteria. Applicants should first assess the applicable type of qualified real property investment—rehabilitation, expansion, or new construction. They should then determine if they meet the respective minimum investment threshold in qualified real property investments.

Minimum investment thresholds:

- Rehabilitation & Expansion**:** $100,000 in qualified real property investments
- New Construction: $500,000 in qualified real property investments

Qualified real property investments include expenditures associated with any exterior, interior, structural, mechanical or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use.

What Constitutes a Qualified Real Property Investment?	
Qualifed	**Unqualifed**
▪ Cabinetry *(if taxed as real property)* ▪ Carpentry ▪ Ceilings ▪ Clean-up & Dumpsters ▪ Contractors ▪ Demolition (*if capitalized, not expensed)* ▪ Doors & Windows ▪ Drainage Systems ▪ Driveways & Paving *(to property line)* ▪ Electrical improvements* ▪ Elevators ▪ Excavation & Grading ▪ Exterior Repair ▪ Fencing & Gates ▪ Fire Suppression Systems & Sprinkler Systems ▪ Fixtures ▪ Gas Station Canopies *(if taxed as real property)* ▪ HVAC ▪ Labor *(project-related labor only)* ▪ Landscaping *(including retention ponds)* ▪ Lead & Termite Abatement ▪ Loading Docks ▪ Management (Superintendents, CM/PM) ▪ Mechanical Improvements* ▪ Painting ▪ Plumbing ▪ Masonry ▪ Roofing and Flashing ▪ Drywall & Plaster ▪ Sidewalks (*to property line) & Patios* ▪ Storm Water Management ▪ Thermal/Moisture Protection ▪ Wheelchair Lifts **Equipment unrelated to construction and labor/material cannot be included in this category*	▪ Accounting & Bookkeeping Costs ▪ Acquisition Costs ▪ Appraisals ▪ Architectural, Engineering & Design Fees ▪ Bidding Process ▪ Blinds or other window treatments ▪ Bonding ▪ Closing costs ▪ Furnishings ▪ Insurance ▪ Kitchen & Laundry Appliances ▪ Legal, Marketing or Other ▪ Loan fees; Capitalized Interest ▪ Machinery, Tools & Equipment ▪ Outbuildings ▪ Permits, User fees, Zoning fees, Impact fees, Inspection fees, or Development Fees ▪ Professional Services (Soft Costs) ▪ Realtor, Sales & Leasing Fees ▪ Real Estate Taxes ▪ Rent loss ▪ Signage or Wayfinding Signage ▪ Soil Testing ▪ Surveying Fees ▪ Sweat Equity ▪ Temporary Facilities ▪ Public Utilities ▪ Public Roads & Sidewalks ▪ Utility Hook-up, Extension, or Access Fees ▪ Well, septic, or Sewer systems ▪ Workstations & Cubicles *(unless taxed real property)* ***No "soft Costs"*** ***No Machinery & Tools*** ***No Business Personal Property*** ***NO Expensed items***

Site Work & General Conditions

"Site work" and "general conditions" are common schedule items; however, not all items typically included under these categories constitute qualified real property investments. Often, unqualified items are inappropriately lumped into "site work" or "general conditions" and therefore, **it is always best to break down and list all work included under the "site work" and "general conditions" categories.**

Qualified Site Work	Unqualified Site Work
Clearing Concrete excavation/earthwork Construction overhead Paving	Sewer tie-in fees Utilities Work extending beyond property line Installation/removal of Septic Systems
Qualified General Conditions	**Unqualified General Conditions**
Clean up General Labor Hoisting Mobilization Project Management Project Superintendents Rental Equipment	Utilities Travel Professional Fees Signage Rent/Income Loss Off-Site Space Rentals

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How do I know if something qualifies for RPIG?

1. Was it capitalized? (If no, then ineligible.)
2. How is it taxed by the locality? (If not Real Property, then ineligible.)
3. If the tenant moved out, could the item be removed? (If yes, then ineligible.)

These questions are not a clearinghouse for qualification. For questions regarding the eligibility of certain investments, please contact DHCD at (804) 371-7030 or EZONE@dhcd.virginia.gov.

Conditional Items

The following items qualify as real property investments (i.e. their corresponding dollar amount can be included in the investment total) **only** if the described conditions are met.

Awning/Canopy	Must be structurally part of building/roof to qualify. Awnings or canopies that are fabric or non-structural do not constitute a real property investment. If possible, submit a **photo** with hard-copy application.
Change Orders	Needs to be broken down into more specific categories, such as "additional flooring work" in order to ensure that each item is a qualified real property investment.
Demolition	Needs to be charged to the capital (asset) account, and not expensed.
Plumbing/Piping	Can only include work that is structurally within the building/facility, not what runs from the building to the public utilities.
Kitchens	The improvments must be structurally part of the building (such as a hood or walk-in freezer that is taxed as real property and not business personal property). Kitchen appliances and furntiure are ineligible.

REQUIRED APPLICATION MATERIALS

Form EZ-RPIG must be submitted online by **11:59 PM on April 2nd, 2018 (EST)**. After submitting the online form, applicants should print the completed EZ-RPIG application from the EZ Online Submission System site, then mail the signed hard copy in addition to the materials listed in the table below.

Real Property Investment Grant Submission Materials	
Materials	**Submission Deadline**
• Form EZ-RPIG • Placed in Service Documentation • CPA Attestation Report Form • Form EZ-RPIG Multiple Owner* • Form EZ-RPIG Tenant-Owner Consent* • Form EZ-RPIG Tenant Coordination* • Form EZ-RPIG Mixed-Use* • Form W-9 ** If Applicable*	**All application materials are due to DHCD on** **April 2nd, 2018*** Applicants must submit their application electronically and then send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 2nd; 2) UPS, Fed Ex or another services where shipping can be tracked with a shipped date no later than April 2nd. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 2nd. **Applications are due on April 1st annually. If the April 1st deadline falls on a weekend or holiday, applications are due the next business day.*

Details and instructions regarding each of the listed application materials are included in the following sections. Form EZ-RPIG and all supplemental forms are available on the EZ Online Submission System site: https://dmz1.dhcd.virginia.gov/EZApplication/

PLACED IN SERVICE DOCUMENTATION

A final (approved) Certificate of Occupancy, approved final building inspection, or licensed third-party inspector's report (for projects that do not require *any* permits) for qualified real property investments (QRPIs) must be submitted with the application. Applicants must apply with the highest form of placed in service document **required by the locality**. If the nature of the project requires a Certificate of Occupancy, a Qualified Zone Investor cannot apply with a final building inspection even if a final building inspection was issued prior to a Certificate of Occupancy. **DHCD verifies placed in service documentation issued/required for each project with local building code departments.**

When submitting the final placed in service documentation, please make note of the following:

- The name on the final Certificate of Occupancy, final building inspection, or licensed third-party inspector's report must match the legal name on the Form EZ-RPIG, Part I, Box 1.
- The physical address on the final placed in service documentation must be within an Enterprise Zone and must match the physical address listed on Form EZ-RPIG, Part I, Box 4.
    - If the name or address on the documentation differs from what is listed on the Form EZ-RPIG Part I, Boxes 1 and 4, the applicant must complete Part II, Box B to explain the differences.
- The date of the placed in service documentation must fall within the 2017 calendar year.

Certificate of Occupancy

The Certificate of Occupancy must be **final**, meaning it is not temporary, conditional, or pending. For information regarding projects that require a Certificate of Occupancy, see Section 116 of the Virginia Uniform Statewide Building Code.

Final Inspection

When submitting a final building inspection as the placed in service documentation, the inspection must be **approved** by the local jurisdiction in which the project was completed and final, meaning the final building inspection was completely passed. There should be **no pending items or additional work** (however minor they may be) remaining when such a document is submitted. For information regarding projects that require a final building inspection, see Section 113.8 of the Virginia Uniform Statewide Building Code.

During my inspection, the inspector noticed that the handrails along the stairway were loose and documented that the inspection was approved pending the installation of the new handrails. I then ordered new handrails, had them installed, and received another final building inspection that was approved in January 2018. Can I still apply for the 2017 calendar year?

Because the final inspection wasn't fully approved until 2018, the Zone Investor would need to wait and apply for the 2018 calendar year. This holds true even if the final inspection was originally conducted in 2017. The inspection has to be completely passed with no pending items.

Licensed Third-Party Inspector's Report

A licensed third-party inspector's report (performed, signed and dated within the 2017 calendar year) can be submitted as the placed in service document **only when a project does not require any permits**. The third-party inspector's report must meet the guidelines set forth by the local jurisdiction in which the project was completed. The inspection report should reference the Qualified Zone Investor, the Physical Address of the Zone Establishment, and shall list the qualified zone investments and the dates in which they were inspected for completion. The property is considered placed-in-service on the **date of the third-party inspection**, not the date of the report.

It is the responsibility of the applicant to provide **documentation from the locality** that no permits were required for the scope of work included in the application. The locality's building officials must provide a letter on official letterhead that references the physical address of the zone establishment and lists the qualified real property investments for which the applicant is seeking the grant.

Based on Section 113.7.1 "Third-Party Inspectors" of the Virginia Uniform Statewide Building Code:

"Each building official charged with the enforcement of the USBC shall have a written policy establishing the minimum acceptable qualifications for third-party inspectors. The policy shall include the format and time frame required for submission of reports, any prequalification or pre-approval requirements and any other requirements and procedures established by the building official."

FORM EZ-RPIG

PART I: BACKGROUND INFORMATION

Directions are included below for the "Background Information" section of **Form EZ-RPIG**.

1. Qualified Zone Investor's Legal Name		2. Type of Zone Investor (check one)
		☐ Owns building - occupant ☐ Owns building - non-occupant ☐ Owns space in building (i.e. office condo) *Supplemental Form required* ☐ Tenant in building *Supplemental Form(s) required* ☐ Developer (not owner) *See Page 10 of Manual*
3. Federal Employment ID# (FEIN)/Social Security Number (SSN)	2-Digit EID Suffix	
4. Physical Address of Zone Establishment	Town/County/City	Zip Code

1. **Qualified Zone Investor's Legal Name**: *Indicate the applicant's legal name.*
   - If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN of the parent/taxable entity, and note the name of the disregarded entity on the COV W-9.

2. **Type of Zone Investor**: *A Qualified Zone Investor is the individual or entity that capitalized the cost of the qualified real property investments. A description of each classification follows.*
   - **"Owns building - Occupant":** Owns and occupies the entire building/facility
   - **"Owns building - Non-occupant":** Owns the entire building or facility, but does *not* occupy the building.
   - **"Owns space in building":** Qualified Zone Investor only owns a portion of the building. For example, owning a medical office condominium that spans one of eight floors of a building. This type of Qualified Zone Investor is required to submit the supplemental **Form EZ-RPIG Multiple Owner** and coordinate qualification with all other owners within the same building/facility.
   - **"Tenant in building":** Qualified Zone Investor occupies leased space in a building or facility. This type of Qualified Zone Investor is required to submit the supplemental **Form EZ-RPIG Tenant-Owner Consent** and may be required to coordinate qualification with other tenants using Form **EZ-RPIG Tenant Coordination**.
   - **"Developer":** Entity or individual that capitalizes the qualified real property investment but does not currently own or occupy the building. See Page 9 of this manual for more detail.

3. **FEIN/SSN and 2-Digit EDI Suffix:** The FEIN/SNN provided with the application is used to track the qualified investors and to disburse all grant funds. See Page 24 of this manual for more detail.
   - "**FEIN":** If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity, indicate the applicant's Federal Employment Identification Number (FEIN).
     - **If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN of the parent/taxable entity, and note the name of the disregarded entity on the W-9.**
   - **"SSN"**: If the applicant is an individual, indicate the applicant's Social Security Number (SSN).
   - **"2-Digit EDI Suffix":** ***Optional:*** If applicable, applicants who already participate in the EDI program through the Department of Accounts should have Suffix numbers for each bank account registered for Commonwealth of Virginia payments. The Suffix number (typically formatted as 00, 01, 02, etc.) should correlate to the desired bank account for the EZ grant payment.

4. Physical address of Building: *Indicate the physical location of the applicant's property.*

5. Real Property Use Classification (check one)	6. Type of Real Property (check one)
☐ Industrial ☐ Commercial ☐ Mixed Use *Supplemental Form required*	☐ Building ☐ Facility
7. Type of real property investment that was made: ☐ Rehabilitation of an existing building/facility ☐ Expansion of an existing building/facility ☐ New Construction	**8. Property Identification Number(s)** *See Page 16 of Manual*

5. Real Property Use Classification: Indicate the use classification of the real property as industrial, commercial, or mixed-use.

- If the building/facility is mixed use, the supplemental form **EZ-RPIG Mixed-Use** must be submitted.

6. Type of Real Property: *Indicate whether the real property investments were made to a building or facility*.

- See Page 7 of this manual for more information on how to distinguish between a building and a facility.
- If the building for which an RPIG is being sought is part of a complex of buildings, it must be classified as a "facility" per the definition in the Program Regulations.

7. Type of Real Property Investment: *Indicate whether the investment was for new construction or the rehabilitation or expansion of an existing building/facility***.**

- To determine whether or not the investment is classified as rehabilitation, expansion, or new construction, refer to the definitions in the Glossary at the end of the manual.

8. Property Identification Number: *List the property identification number(s) associated with the physical address listed in Part I, Box 4.*

- These unique identification numbers vary by locality. The Local Zone Administrator will provide the proper number to use for their zone. LZA Contact information is available on the EZ Online Submission System site at: https://dmz1.dhcd.virginia.gov/EZApplication/.
- A building or facility can span multiple parcels. Additionally, a building with multiple owners or tenants, or even with multiple street fronts, may have multiple property identification numbers. In such cases, all property identification numbers corresponding to the building/facility must be identified in this space.

9. Zone Name	10. Zone #	11. Zone Designation Date	12. Name of Local Zone Administrator
		/ /	
13. **Signature of Local Zone Administrator** verifying that the physical address, type of real property, and property identification number listed on EZ-RPIG Part I, Boxes 4, 5, and 8 is correct and the property is in the Enterprise Zone identified in Box 9 above. Signature			Date

9 - 11. Zone Name and Zone #, Zone Designation Date: *Indicate the Zone in which the property is located.*

- Contact the Local Zone Administrator to verify which Zone the property is located in (Box 9). Once the zone name is entered online, the corresponding zone number field (Box 10) and zone designation date (Box 11) will automatically populate.

12. Name of Local Zone Administrator: *State the name of the Local Zone Administrator (LZA*).

- LZA contact information is available at https://dmz1.dhcd.virginia.gov/EZApplication/.

13. **LZA Verification**: *The signature of the LZA is required.* The application must be signed and submitted by the April 1st deadline (or next business day if weekend or holiday) to be considered on time. The signature of the LZA verifies that the address, type of real property and property identification number are correct, and that the property is within the Zone in Box 9.

PART II: PLACED-IN-SERVICE DOCUMENTATION

A. Type of Placed-in-Service Documentation: *Check the box that corresponds with the type of Placed-in-Service documentation that you are submitting with your application*.

B. Explanation of Placed-in-Service Documentation: *Provide clarification on any differences between the name appearing as the Qualified Zone Investor's Legal Name and Physical Address of the Zone Property, and the name and address listed on the final Placed-in-Service Documentation.*

- If the documentation refers to multiple-addresses, a thorough explanation should be provided in this section. All inspections/certificates of occupancy must be dated within the calendar year.
- If there are multiple inspections/certificates of occupancy, an explanation of the scope of work included in each inspection/certificate can be included if not shown on the documentation. If the property was placed into service on more than one date in the calendar year, please enter the earlier date in Part IV, Box 1, but note all other dates in the explanation in Part II, Box B.
- The text box is limited to 1,000 characters. Applicants may attach additional information to the hard copy of the application if necessary.

A.	☐ **CERTIFICATE OF OCCUPANCY**	☐ **FINAL INSPECTION**	☐ **THIRD PARTY INSPECTOR'S REPORT**
B.	Please explain any differences in the name and address listed on the final Placed-in-Service documentation from the name and address listed in Part I, Boxes 1 and 4. You may attach a letter to the hard-copy submission if additional space is required to explain discrepancies. A letter from the locality may not be provided in lieu of placed-in-service documentation if a Certificate of Occupancy or Final Building Inspection was required by the locality. Documentation should be dated within **Calendar Year 2017**.		

PART III: ITEMIZED LIST OF QUALIFIED REAL PROPERTY INVESTMENTS

Qualified Zone Investors need to collect documentation of payment such as invoices, receipts, and checks to enter in the categories of work completed (i.e. demolition, carpentry, etc.) and the corresponding dollar amount associated with the work in Part III of Form EZ-RPIG. The Qualified Zone Investor may only include qualified real property investments that correspond with the final placed in service documentation.

- See Pages 11-12 of this manual for a list of qualified real property investment examples.
- Labor and material costs associated with a particular real property investment such as "painting" or "demolition" should be combined and listed as one category. For each item listed on the schedule, DHCD assumes that the labor, materials, and equipment necessary to perform such qualified real property investments are included in the total cost of each investment.
- Costs on the schedule should represent the actual dollar amount of investment. Investment amounts reflected in the schedule **should NOT be rounded**.
- For projects that contain more than 20 qualified real property investments, list the sum of the dollar amount for the remaining investments in line 20 of the schedule and label the category as "see attachment." Attach a list of the remaining items (listed separately) and corresponding dollar amounts to the hard copy of this form.

Qualified Real Property Investment	Dollar Amount
1. Carpentry	$28,628.10
2 Electrical	$14,791.20
3. Concrete	$39,611.21
4. Demolition	$12,385.00
5. Doors & Windows	$2,561.27
6. Drywall	$22,500.00
7. HVAC	$16,037.10
8. Masonry	$80,081.80
9. Steel	$29,311.00
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21. **Total Qualified Real Property Investment**	$245,906.68 *Amount to Enter in Box 3A*

Example

The sum of the qualified real property investments is automatically calculated online and populates Part III, Box 3A.

PART IV: QUALIFICATION INFORMATION

On this portion of the Form EZ-RPIG, the Qualified Zone Investor fills in information regarding the dollar amount of Qualified Real Property Investments and the resulting grant request based on the level of investment. For Qualified Zone Investors applying as owners of a space within a building/facility, such applicants can only request the full, applicable grant amount if they coordinated qualification. See the ***Supplemental Forms*** section for more details.

1. Date Real Property Placed in Service (MM/DD/YYYY) ▪ To verify this date attach a copy of the final Certificate of Occupancy, final building inspection (approved by local jurisdiction), or a licensed third party inspector's report in cases where project did not require a permit. ▪ When submitting a licensed third party inspector's report, applicant must also attach a letter from the local Building Official verifying that project did not require any permits.	1. / /2017
2. Qualification is requested for calendar year:	2. 2017
3. Grant Calculation:	
A. Actual dollar amount of qualified real property investments made by applicant:	3A. $
B. Applicable investment threshold based on the type of real property investment:	3B. $
C. Grant eligible dollar amount (Box 3A minus Box 3B):	3C. $
D. Multiply Box 3C by 20%. This is the amount of grant the zone investor is requesting. ▪ For investments (3A) less than $5 million, this amount cannot exceed $100,000. ▪ For investments (3A) of $5 million or more, this amount cannot exceed $200,000. *Tenants or zone investors who own a space within a building cannot request the maximum grant amount if they did not coordinate qualification or receive owner consent.*	3D. $
4. Real Property Investment Grants previously issued to this building or facility. *See RPIG Award Schedule.*	
A. Have real property investment grants been awarded to the building or facility in the last four years? *If yes, complete Box 4B.*	4A. ☐ YES ☐ NO
B. If yes, indicate the total amount received in previous years. *The sum of 3D and 4B shall not exceed the applicable $100,000 or $200,000 investment, per the regulations in Box 3D.*	4B. $

PART V: CONTACT INFORMATION

The Qualified Zone Investor must provide contact information for the grant applicant representative as well as contact information for the CPA who prepared the Attestation Report in this section.

1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.)	First Name	Last Name	Title	Daytime Phone ( ) -	E-mail Address
Principal Mailing Address			City	State	Zip Code
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant		VA License #	Daytime Phone # ( ) -	Email Address	
3. Accounting Firm	Street Address		City	State	Zip Code

NOTE: *The Grant Applicant Mailing and Email Addresses listed above will be used for all correspondence from DHCD relating to this grant application.*

The email address of the applicant representative is required as applicants will receive email confirmations/updates throughout the application submission and review process. See Page 5 of this manual for more information.

PART VI: APPLICATION INFORMATION

This portion of the application notifies DHCD that supplemental forms should accompany Form EZ-RPIG. Check the boxes that are applicable to your submission.

Check the boxes below that apply to your application submission.

1. ☐ Application has been submitted electronically. Required.
2. ☐ Application includes Supplemental EZ-RPIG Mixed-Use Form ☐ N/A
3. ☐ Application includes Supplemental EZ-RPIG Multiple-Owner Form ☐ N/A
4. ☐ Application includes Supplemental EZ-RPIG Tenant Coordination Form ☐ N/A
5. ☐ Application includes Supplemental EZ-RPIG Tenant-Owner Consent Form ☐ N/A
6. ☐ Submission includes CPA Attestation Report Form. Required.
7. ☐ Submission includes Final Placed-in-Service documentation. Required.

PART VII: DECLARATION

The application must be signed and dated by a representative of the Qualified Zone Investor that has reviewed the application and required attachments for accuracy and completion.

APPLICANT: I, the undersigned, on behalf of the zone investor, declare that I have made the management decisions necessary to complete this form and this form has been examined by me and is an accurate statement. I have disclosed all of the required documentation so that the CPA could perform the Agreed Upon Procedures established by DHCD. I am authorized to sign on behalf of the zone investor.

Signature	Typed or Printed Name	Title	Date (MM/DD/YYYY)

Prior to submitting an application, **please review the form(s) carefully**. Once submitted, applicants are unable to increase the level of investment if items (qualified real property investments) were mistakenly omitted.

SUPPLEMENTAL FORMS

When applicable, supplemental forms must be submitted in addition to the required application materials.

Form EZ-RPIG Multiple-Owner

For a Qualified Zone Investor that owns a space within a building, the supplemental form **EZ-RPIG Multiple-Owner** must be submitted with the **Form EZ-RPIG**. This form documents the amount of space within the building or facility owned by the applicant and enables the applicant to coordinate the qualification process with the other owners of the building/facility. Each owner within the building/facility must sign the coordination statement on Page 2 of the form.

In the case where there has been no coordination with the other owners, DHCD will implement its proration procedures based on the useable floor space owned by the Qualified Zone Investor. The maximum grant amount available is determined by whichever is less of the following scenarios:

- 20 percent of the Qualified Zone Investor's grant eligible investment, capped at the applicable limit for the cumulative level of investment; or
- The square foot percentage owned by the Qualified Zone Investor (as documented in Part II of the supplemental form) multiplied by the applicable investment cap, $100,000 or $200,000.

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The purpose of coordination is to ensure that no more than the applicable grant cap is requested within a five-consecutive year period for the building or facility. This especially holds true in instances where there are **multiple applicants from the same building that simultaneously apply for the RPIG for work completed in the same calendar year.** Irrespective of each applicant's level of investment, coordination entails that the Zone Investors agree upon the amount each owner will request such that no more than the applicable grant cap ($100,000 or $200,000) is requested within a five-consecutive-year period.

I am an authorized representative of the owner located within the building/facility located at Physical Address of Zone Establishment, Town/County/City, Virginia, Zip Code. I acknowledge that Qualified Zone Investor's Legal Name is applying for the Real Property Investment Grant.

As a representative of the owner listed below, I give my consent to Qualified Zone Investor's Legal Name, listed in Part I, Box 1, to apply for the Real Property Investment Grant in the amount of $Grant Requested. I am aware that the Real Property Investment Grant is capped per building or facility within 5-consecutive-years and the filing of this application and subsequent disbursal of funds will be counted towards reaching the grant cap applicable to this property for 5 consecutive years.

A. Owner	B. Representative, Title	C. Square footage owned
D. Signature		E. Date

F. Notary

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____,

this _____ *day of* _____ *201*__.

Notary Public _____ *Registration Number* _____

My Commission Expires: _____

Dollar amount indicated on Form EZ-RPIG Part III, Box 3D.

Cells A - E must be completed by EACH owner in the building and be **notarized**.

Form EZ-RPIG Tenant-Owner Consent

Supplemental form, **Form EZ-RPIG Tenant-Owner Consent** must be completed and submitted with **Form EZ-RPIG** by all tenants in buildings applying for RPIG funds, regardless of whether the owner of the building requires further tenant coordination or not.

For **tenants** applying for the grant, the tenant is required to:

1. Disclose the total number of square feet in the building in addition to the amount of space they are leasing from the owner.

PART III: QUALIFICATION INFORMATION

1. Square footage leased by Zone Investor *As indicated on valid lease agreement.*	1. _____ square feet
2. Total useable floor space in building	2. _____ square feet
3. Total useable floor space occupied by zone investor *Divide line 1 by line 2 and multiply by 100.*	3. _____ %

2. Confirm the owner's consent for allowing the tenant to submit an application for the Real Property Investment Grant.

PART IV: TYPE OF CONSENT (CHECK ONLY ONE BOX BELOW)

A. Sole Tenant

☐ My consent **is not** contingent on coordination as this applicant is the sole tenant in this building.

B. Multiple Tenants:

☐ My consent **is not** contingent upon the applicant coordinating with the building's other tenants.

☐ My consent **is** contingent upon the applicant coordinating with the building's other tenants. If so, the **EZ-RPIG Tenant Coordination Form** must also accompany the hard-copy application submitted to DHCD, with signatures from each additional tenant in the building/facility.

3. Obtain written consent from the owner of the property.

PART V: CONSENT OF OWNER

_____, owner of the property located at Part I, Box 2 above, grants permission to the tenant referenced in Part I, Box 1 to apply for the Real Property Investment Grant in the amount of $ _____, as indicated on Form EZ-RPIG, Part IV, Box 3D.

_____ _____ _____
Name of Owner Signature Date

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____, this ____day of _____ 201__.

_____ _____ *My Commission Expires:* _____
Notary Public *Registration Number*

4. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	**Title**	**Daytime Phone #**	**E-mail Address**
		(_____) _____	
Signature			**Date (MM/DD/YYYY)**

Form EZ-RPIG Tenant Coordination

Form **EZ-RPIG Tenant Coordination** is required when tenants applying for RPIG funds receive owner consent contingent upon the notification and coordination of all other tenants in the building.

For **tenants** applying for the grant, the tenant is required to:

1. Disclose the total number of square feet in the building in addition to the amount of space they are leasing from the owner.

PART II: QUALIFICATION INFORMATION

1. Square footage leased by zone investor (for which grant is being sought) ▪ *Square footage as indicated on valid lease agreement.*	1. square feet
2. Total useable floor space in building ▪ *For multi-tenanted buildings, this amount should equal the sum of the values entered Line 1(above) and in Part III Cell C of the EZ-RPIG Tenant Coordination Form.*	2. square feet
3. Total useable floor space occupied by zone investor ▪ Divide line 1 by line 2 and multiply by 100.	3. %

2. Coordinate with all other tenants in the building/facility, by having them fill out the Tenant Coordination Form which must be notarized.

PART III: COORDINATION

I am an authorized representative of the tenant located within the building/facility located at Physical Address of Zone Establishment, Town/County/City, Virginia, Zip Code. I acknowledge that Qualified Zone Investor's Legal Name is applying for the Real Property Investment Grant.

As a representative of the owner listed below, I give my consent to Qualified Zone Investor's Legal Name, listed in Part I, Box 1, to apply for the Real Property Investment Grant in the amount of $Grant Requested. I am aware that the Real Property Investment Grant is capped per building or facility within 5-consecutive-years and the filing of this application and subsequent disbursal of funds will be counted towards reaching the grant cap applicable to this property for 5 consecutive years.

A. Tenant	**B. Representative, Title**	**C. Square footage leased**
D. Signature		**E. Date**

F. Notary

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____,

this _____ *day of* _____ *201*__.

Notary Public _____ *Registration Number*_____

My Commission Expires: _____

3. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	**Title**	**Daytime Phone #**	**E-mail Address**
Signature			**Date (MM/DD/YYYY)**

4. If the owner requires coordination (as indicated on the Tenant-Owner Consent Form) with other tenants and no coordination is provided, DHCD will apply its proration formula to the grant award as illustrated in the box below.

Multi-Tenant Pro-Ration Example

A commercial building is occupied by two tenants. Each makes improvements to the portion for which they hold a valid lease but the two tenants do not coordinate their applications for the RPIG. The total useable floor space in the building is 100,000 square feet. Each of these tenants occupies one half of the building (50% each). Tenant A spent $500,000 in qualified real property investments; Tenant B spent $200,000 in QRPIs.

Since the cumulative investment in 2017 (between tenants A and B) is less than $5 million, the maximum grant amount for the entire building is capped at $100,000. Because Investors A and B each occupy 50% of the building, the grant cap translates into a maximum of grant award of $50,000 per tenant. While 20% of $400,000 is $80,000, Investor A would only be eligible to receive a maximum RPIG of $50,000. Investor B, however, would receive the full $20,000 (20% of $100,000) because he is still under his individual cap of $50,000. If the two investors had coordinated, both could have received their full request: $80,000 for Investor A and $20,000 for Investor B.

Form EZ-RPIG Mixed-Use

The supplemental **Form EZ-RPIG Mixed-Use** must be submitted with **Form EZ-RPIG** for Qualified Zone Investors applying for qualified investments to a mixed-use building (as indicated on Form EZ-RPIG, Part I, Box 5). *Mixed-use* is defined in Section 59.1-548A of the Code of Virginia as "a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office, or industrial use."

For a property that contains any residential or non-commercial uses, the applicant is required to:

1. Obtain a declaration from the preparer of the measure drawings or plans for the work done to the referenced building. The preparer of these plans may be the licensed architect, surveyor, or drafts person (or representative of the architect, surveyor, etc.) that created the approved plans that were submitted to the locality to obtain the necessary permits for the real property investment. This individual will supply the useable floor space calculations as indicated on the measured drawings/plans.

PART II: QUALIFICATION INFORMATION

TO BE COMPLETED BY PREPARER OF MEASURED DRAWINGS/PLANS SUBMITTED TO LOCALITY
This section is to be completed by the qualified zone investor and verified by an independent third party **only** if no plans were required by the local jurisdiction to obtain the necessary permits for the building **or** if the applicant prepared his/her own drawings.

1. Number of Useable Floors in Building	1.		
2. Square footage by use			
a. Useable square footage for office, commercial, or industrial use	2a.		
b. Useable square footage for residential use	2b.		
3. Total Useable Floor Space* ▪ Add Part II items 2a and 2b	3.		Sq. ft. in building
4. Total useable floor space in building devoted to commercial, office, or industrial use. ▪ Divide line 2a by line 3 and multiply by 100. *Note: Line 4 must be at least 30 percent of the useable floor space to meet the VEZ definition of mixed-use.*	4.		%

2. Obtain the Obtain an official AIA seal on the form. If the preparer of the plans is a **Surveyor, draftsperson, contractor**, etc., that individual must have his/her signature notarized on the form.

PREPARER OF MEASURED DRAWINGS/PLANS: I, the undersigned, declare that I have prepared the measured drawings/plans used to complete this form and that such plans were submitted to the locality and approved in order to obtain the necessary permits for the mixed-use building. In addition to my signature, I have included my professional seal (i.e. AIA) as the verification that the information on this form is accurate and based on the above mentioned measured drawings/plans.

▪ If an architect did not prepare the drawings, the preparer of the drawings (i.e. surveyor, draftsperson) must sign and have this form notarized.

Preparer of Drawings/Plans	Title	Daytime Phone # ( )	E-mail Address
Signature			Date (MM/DD/YYYY)
AIA Seal	Notary *Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by* _____, *this* ____ *day of* _____ *201*__. *Notary Public* _____ *Registration Number*_____ *My Commission Expires:* _____		

3. **Third Party Verification: If no plans were required by the local jurisdiction** to obtain the necessary building permits for the project or **if the applicant prepared his/her own drawings** (or a member of the applicant's firm), **EZ-RPIG Mixed-Use**, Part II can be completed by the applicant and verified by a licensed, independent third-party. The licensed third-party will need to provide his/her signature on the form, verifying the accuracy of the information provided in Part II.
   - A letter from the local jurisdiction's Building Code Office verifying that no plans or drawings were required must be included with the application materials. A licensed third-party can be an architect (AIA seal required), surveyor, or draftsperson (notarization required).

4. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	Title	Daytime Phone #	E-mail Address
		( )	
Signature			Date (MM/DD/YYYY)

W-9

A **completed Commonwealth of Virginia W-9** form must be submitted with each grant application. The FEIN or SSN listed on the qualification application **Form EZ-RPIG** must match the FEIN or SSN on the W-9. A blank W-9 form can be found here: http://www.doa.virginia.gov/Admin_Services/CVG/Forms/W9_COVSubstitute.pdf .

Disregarded Entities & Subsidaries

If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN of the parent/taxable entity on Form EZ-RPIG, and fill out the Commonwealth of Virginia W-9 Form accordingly.

CPA ATTESTATION REPORT FOR RPIG APPLICATIONS

As required by statute, a CPA must perform an attestation following the Agreed-Upon Procedures outlined by DHCD with every RPIG application. There are no exemptions from the attestation for RPIG applications. The CPA must be independent of the Qualified Zone Investor and licensed in the Commonwealth of Virginia. The CPA will test the documentation and calculations used to prepare the Real Property Investment Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed by the CPA and submitted to DHCD by **April 2nd, 2018**.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Real Property Investment Grant application. All CPAs should know if they are able to perform agreed upon procedures.

These procedures and additional information is available on the EZ Online Submission System site at:

https://dmz1.dhcd.virginia.gov/EZApplication/CPAs.aspx.

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Can my CPA prepare the application and accompanying materials and attest?

Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing management functions. The decision to follow any advice provided remains with management of the entity.

CPA Attestation Report (RPIG and JCG)	
CPA Sample Engagement Letter	Sample engagement letter for CPA to provide to client
CPA Agreed Upon Procedures Manual (RPIG and JCG)	Includes information regarding procedures for each grant
Guidance on CPA Attestation Report Format and Documentation of Findings	Includes information on appropriate description of CPA's findings
Real Property Investment Grant Attestation Report Form	Required in prescribed format
Job Creation Grant Attestation Report Form	Required in prescribed format

Taxability of Grants

Under IRS regulations, grant awards may be considered taxable income. A 1099-G will be issued to all grantees for the EZ awards received. For tax-related questions, please contact your tax professional for guidance.

Note: If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be reduced by the dollar amount of the liability. DHCD does not have records of potential liabilities as this process is handled outside the agency. **If you receive a grant award that is less than the amount noted in the qualification letter, please call the Department of Accounts at (804) 371-8383.**

Record Keeping Requirements

The Department may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding RPIG qualification for a minimum of three years following the receipt of the grant. Real Property Investment Grantees are annually monitored by DHCD at random. Grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment.

CONTACT INFORMATION

If you have any questions about qualifying for the Enterprise Zone grants or other aspects of the program, please contact:

Virginia Department of Housing and Community Development
600 E. Main Street, Suite 300
Richmond, Virginia 23219
(804) 371-7030

EZONE@dhcd.virginia.gov
www.dhcd.virginia.gov

GLOSSARY: DEFINITIONS FOR REAL PROPERTY INVESTMENT GRANTS

Agreed upon procedures engagement:
Means an engagement between an independent Certified Public Accountant licensed by the Commonwealth and the Qualified Zone Investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report on the assertion of the Qualified Zone Investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

Building:
Means any construction meeting the commonly ordinarily accepted meaning of the term (building, *n,* a usually roofed and walled structure built for permanent use) where 1) areas separated by interior floors or other horizontal assemblies and 2) areas separated by fire walls or vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.

Capital lease:
Means a lease that meets one or more of the following criteria and as such is classified as a purchase by the lessee: the lease term is greater than 75 percent of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceed 90 percent of the fair market value of the property.

Common control:
Means those firms as defined by Internal Revenue Code § 52(b).

Expansion:
Means an increase in square footage or the footprint of an existing nonresidential building via a shared wall, or enlargement of an existing room or floor plan. Pursuant to Real Property Investment Grants this includes mixed-use buildings.

Facility:
Means a complex of buildings, co-located at a single physical location within an Enterprise Zone, all of which are necessary to facilitate the conduct of the same trade or business. This definition applies to new construction, as well as to the rehabilitation and expansion of existing structures.

Independent Certified Public Accountant:
Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for state tax incentives and grants under this program.

Local Zone Administrator:
Means the chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Mixed-use:
Means a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office or industrial use. Buildings where less than 30 percent of the useable floor space is devoted to commercial, office or industrial use shall be considered primarily residential in nature and

shall not be eligible for the Real Property Investment Grant under 13 VAC 5-112-330. This definition applies only for the purpose of qualifying for Enterprise Zone incentives.

Mobilization:
Mobilization includes preparatory work and operations necessary for the movement of heavy equipment and supplies (construction supplies NOT office supplies) to the project site, necessary for work on the project.

New construction:
Means a single, nonresidential facility built on previously undeveloped land of a nonresidential structure built on the site/parcel of a previously razed structure with no remnants of the prior structure or physical connection to existing structures or outbuildings on the property. Pursuant to Real Property Investment Grants this shall include mixed-use buildings.

Placed in service:
Means the final Certificate of Occupancy has been issued or the final building inspection has been approved by the local jurisdiction for real property improvements or real property investments, or in cases where a project does not require permits, the licensed third-party inspector's report indicating that the project is complete.

Qualified real property investment:
Means the amount properly chargeable to a capital account for improvements to rehabilitate, expand or construct depreciable real property placed in service during the calendar year within an Enterprise Zone provided that the total amount of such improvements equals or exceeds (i) $100,000 with respect to a single building or a facility in the case of rehabilitation or expansion or (ii) $500,000 with respect to a single building or a facility in the case of new construction. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, cleaning and cleanup.

Qualified real property investment shall not include: The cost of acquiring any real property or building; other costs including: (i) the cost of furnishings; (ii) any expenditure associated with appraisal, architectural, engineering, surveying, and interior design fees; (iii) loan fees, points, or capitalized interest; (iv) legal, accounting, realtor, sales and marketing, or other professional fees; (v) closing costs, permits, user fees, zoning fees, impact fees, and inspection fees; (vi) bids, insurance, signage, utilities, bonding, copying, rent loss, or temporary facilities incurred during construction; (vii) utility connection or access fees; (viii) outbuildings; (ix) the cost of any well or septic or sewer system; and (x) roads; the basis of any property: (i) for which a grant under this section was previously provided; (ii) for which a tax credit under § 59.1-280.1 of the Code of Virginia was previously granted; (iii) which was previously placed in service in Virginia by the Qualified Zone Investor, a related party as defined by Internal Revenue Code § 267 (b), or a trade or business under common control as defined by Internal Revenue Code § 52 (b); or (iv) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom it was acquired or Internal Revenue Code §1014 (a).

Qualified Zone Investor:
Means an owner, tenant, or developer of real property located within an Enterprise Zone who expands, rehabilitates or constructs such real property for commercial, industrial or mixed use. In the case of a tenant, the amounts of qualified zone investment specified in this section shall relate to the proportion of the property

for which the tenant holds a valid lease. Units of local, state and federal government or political subdivisions shall not be considered Qualified Zone Investors.

Rehabilitation:
Means the alteration or renovation of all or part of an existing nonresidential building without an increase in square footage. Pursuant to Real Property Investment Grants this shall include mixed-use building.

Same trade or business:
Means the operations of a single company, related companies, or companies under common control.

Useable floor space:
Means all space in a building finished as appropriate to the use(s) of the building as represented in measured drawings. Unfinished basements, attics, and parking garages would not constitute useable floor space. Finished common areas such as stairwells and elevator shafts should be apportioned based on the majority use (i.e. 51%).