

HOUSING AND  
NEIGHBORHOODS

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# Building Up-fit Grant

Adopted 7/1/2016  
Amended 3/5/24

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## City of Raleigh Building Up-fit Grant Program

Economic development is a priority for the Raleigh community and its residents. Attracting new businesses and expanding existing businesses in the city is a part of this goal. The City of Raleigh's Building Up-fit Grant encourages growth and development by assisting property owners who want to activate their vacant or underutilized commercial building space in Raleigh to create new business use or new jobs.

Do you need help renovating the interior of your new space? Or are you creating a new business? Apply for a Building Up-fit Grant.

### Program details

- Grants are awarded on a quarterly basis.
- Grant amounts up to \$15,000 outside Priority Areas for Economic Development.
- Grant amounts up to \$25,000 inside Priority Areas for Economic Development.
- Grant funds are allocated \$125,000 per quarter.
- Minimum grant request is \$5,000.
- Building Up-fit Grant may be used in conjunction with a City of Raleigh Façade Rehabilitation Grant.
- Grant requires a 1:1 match by the tenant or property owner. Approved applicants must spend an amount on improvements, renovations, and/or interior additions at least equal to the amount of grant funds provided.



### Qualified improvements include

- Mechanical, electrical, and/or plumbing for build-out.
- HVAC, fire suppression, costs of bringing building up to code.
- Flooring.
- Lighting.
- Attached fixtures and/or installment of fixtures.
- Accessibility compliance.
- Restrooms.
- Utility upgrades.
- Construction of new walls/demolition of unnecessary existing walls.
- Support mechanisms (roofing, foundation, support beams, columns, trusses, etc.)

# Program Details

## Criteria for qualifying projects

- The property must be located within the City of Raleigh.
- The property must be subject to City of Raleigh ad valorem taxes.
- The applicant must be the occupant of the improved property.
- If the applicant is a tenant, they must have a fully signed lease and written approval from the property owner supporting the improvements to be made and agree to the terms and conditions of the grant award. A lease term of a minimum of three (3) years is required.
- Funding must support capital investment (expenditures for improvements, renovations and/or interior additions to the property) and cannot be used for personal property located upon or used in connection with the property.
- The improvements, renovations and/or interior additions must have been undertaken after appropriate permits from the City of Raleigh have been obtained.
- Improvements made must remain with the property for a minimum of three (3) years following the disbursement of grant funds.
- Only two Building Up-fit Grants are allowed per commercial property (includes multi-tenant business locations) in a one-year period. Additionally, business owners may only be awarded one award within a three (3)-year period.
- If the funded improvements are removed from the property or damaged and not repaired within the three-year occupancy period, funds shall be repaid to the city as follows:
  - 100 percent of grant paid if within the first year following grant payment.
  - 66.6 percent of grant paid if within the second year following grant payment.
  - 33.3 percent of grant paid if within the third year following grant payment.
- If the grantee fails to pay taxes owed to the City of Raleigh during the three-year occupancy period and continues to fail to pay such taxes within 10 business days of receiving notice of tax delinquency from the city, the entire grant amount must be repaid to the city.
- The tenant's use must be an office, personal service, retailer, eating establishment, or industrial use space (as defined in the Unified Development Ordinance).
- Program excludes bars, night clubs, taverns, and lounges.
- Space or building can be new or existing.

## Clawback policy (Alcohol Sales)

- After a business has been paid, upon the required annual inspection of business - if the provided alcohol attestation / statement (if applicable) indicates a revenue of 70% (or greater) from alcohol sales, will be deemed ineligible; and furthermore removed immediately.

## Disqualifying factors

Improvements, renovations, and/or interior additions to the commercial property shall not qualify for an up-fit grant if the applicant or property owner has applied for or been approved for building permits or began construction on the up-fit prior to the award of the grant. Other factors include: delinquency in the payment of any taxes, assessments, fees, or other debts owed to the city.

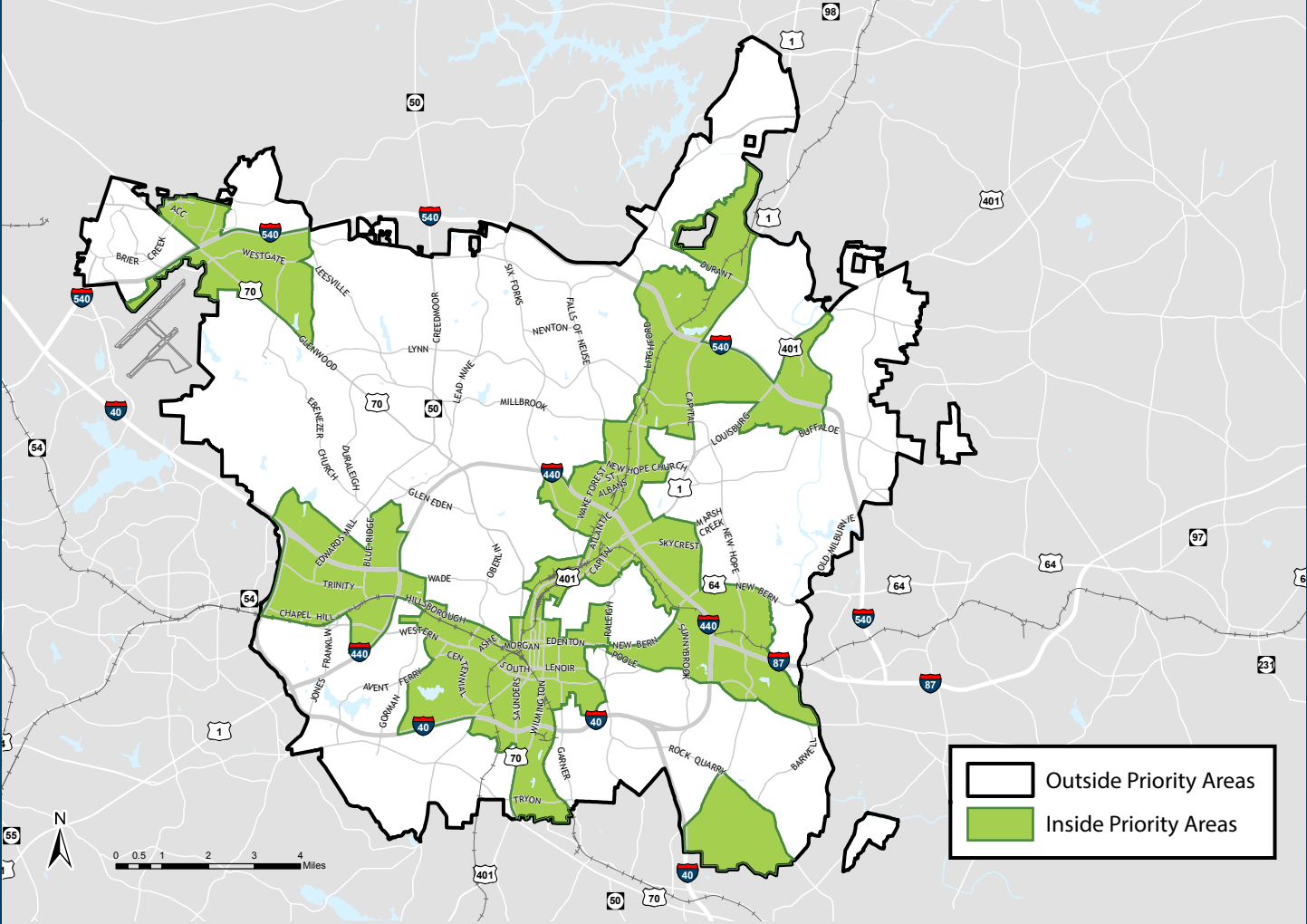
## Grant process

- Applicant must complete a Building Up-fit Grant application.
- The Small Business Development Team will review and score all of the grant applications under consideration.
- Tied scores will be broken in favor of the earliest submitted application.
- The Small Business Development Team shall give written notice to each applicant of the approval or disapproval of each grant application.
- The applicant must obtain all appropriate permits before any improvements, renovations, and/or interior additions are undertaken.

## Upon approval for a grant

- Any changes to qualifying expenditures must be approved by the Small Business Development Team in order to qualify for reimbursement.
- Once approved for the grant, the business has six (6) months to obtain their first permit(s); once obtained, the business has one year from their permit(s) issue date to complete the project. If one (or all) of the criteria are not met within the provided time frame, the business will be notified in writing of their project's ineligibility.
- Grantees can request an extension if nearing the six-month or one-year lapse points. One extension, of no longer than six (6) months, may be granted, per project, at the discretion of the City Manager or their designee.
- The City Manager, or their designee, may offer a second extension of six (6) months per project if the grantee has been working in good faith on the project, but unforeseen circumstances have produced delay. Any extension request must be made in writing with the reasons for the project delay fully explained. This change is retroactive and applies to grantees in the first grant funding cycle as well as future grantees.
- Consideration and potential award of grant is independent of any developments plans reviewed by the city.
- All projects are subject to applicable zoning and building codes.
- The grant shall be awarded only after the work has been completed and a final inspection has been made by the Small Business Development Team to determine that the work has been satisfactorily and entirely completed according to approved plans and specifications.
- Proof of costs and payment, in the form of paid invoices, will be required.

# Priority Areas for Economic Development



Scoring Criteria	Maximum Points
<b>Level of Capital Investment</b> \$10,000 - \$24,999 (5 points) \$25,000 - \$49,999 (10 points) \$50,000 or more (15 points)	5-15
<b>Square Feet of Space</b> 250 - 499 (1 point) 500-999 (2 points) 1,000 - 1,499 (3 points) 1,500 - 1,999 (4 points) 2,000 or more (5 points)	1-5
<b>Located inside Priority Areas for Economic Development</b>	20
<b>Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic district</b>	5
<b>Rehabilitates a deteriorated and/or a dilapidated property and abates and environmentally impaired building (i.e. lead, asbestos, brownfields, etc.)</b>	10
<b>Reuses a vacant or underutilized property</b>	5
<b>Located in a designated transit route or corridor (within a ¼ mile of transit stop)</b>	10
<b>Project provides retail space</b>	10
<b>Number of new full-time jobs</b> 1-3 (5 points) 4 or more (10 points)	5-10
<b>Fosters Economic Development and Community Development opportunities</b> Strategic ED (3 points) Strategic CD (2 points)	2-5
<b>Project contains energy efficient elements</b> EE HVAC (2 points), EE LED Lighting (1 point) EE Windows/Doors (1 point) Other energy/water (1 point)	1-5
<b>TOTAL POSSIBLE POINTS</b>	100

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