



Washington State
Department of
Commerce

**Building for the Arts Program
(BFA)
Notice of Funding Opportunity (NOFO)
Competitive Awards
2023-2025**

**Local Government Division
Community Capital Facilities
[Building for the Arts](#)**

Commerce funding materials may be available in translated formats upon request with a minimum of ten (10) working days' notice. Persons needing an accommodation should contact the Program Manager, and we will determine if the accommodation is possible.

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Table of Contents

BFA PROGRAM BEST PRACTICES FOR A COMPETITIVE PROCESS	1
FUNDING ROUND TIMELINE	1
FUNDING AVAILABILITY.....	2
CONDITIONS OF FUNDING	2
WHO MAY APPLY	2
SECURITIZATION.....	3
WHAT IS A PROJECT?	3
ELIGIBLE PROJECTS.....	4
INELIGIBLE PROJECTS	4
PARTNERSHIPS	4
LLC'S AND NONPROFITS.....	5
MIXED USE FACILITIES	5
ARE "SECONDS" ALLOWED?	5
IN-KIND DONATIONS.....	6
LEED: HIGH PERFORMANCE BUILDING LAW.....	6
ADVISORY BOARD ROLE	7
APPROPRIATIONS PROCESS	7
APPLY NOW OR WAIT?.....	7
MISREPRESENTATION	8
RECOMMENDATIONS.....	8
FUNDING RESTRICTIONS.....	8
COST REIMBURSEMENT	8
MATCHING FUNDS	9

AVAILABILITY OF FUNDS	9
CONTRACTING CONDITIONS	9
RESCINDING FUNDS	9
ADMINISTRATIVE FEE.....	9
CHANGE OF OWNERSHIP	10
ELIGIBLE COSTS	10
INELIGIBLE COSTS.....	10
LOAN PAYDOWNS.....	10
APPLYING	12
SUBMISSION FORMAT	12
HOW TO GET STARTED & MEETING SUBMISSION DEADLINES.....	12
SHARING APPLICATION INFORMATION WITH OTHER PUBLIC ENTITIES	13
TECHNICAL ASSISTANCE.....	13
DISCLAIMER.....	13
PROPRIETARY INFORMATION AND PUBLIC DISCLOSURE	14

BFA PROGRAM BEST PRACTICES FOR A COMPETITIVE PROCESS

The Building for the Arts (BFA) Program adopts these elements as best practices for our competitive processes.

- Public notice will be provided for all competitive solicitations using Commerce’s public website. Notification will be provided through the GovDelivery system to interested parties that have signed up for communications through our webpage.
- All evaluators will sign a conflict and confidentiality statement prior to evaluating submissions.
- A grant workshop and question and answer period prior to the submission deadline will be provided to interested parties.
- A clear and transparent debrief process will be provided to applicants who request such.

FUNDING ROUND TIMELINE

Application Workshop	May 25, 2022
Applications Due	June 23, 2022 at 5:00pm
Advisory Board Hearings	August 17, 2022
Notify Applicants	August, 2022
2023-25 Capital Budget Signed	Approximately April 2023
Funds Released to Commerce	Approximately August 2023

Revisions to the timeline, updates to the application process, and updates to the Program Guidelines and award announcements will be published to the [Community Capital Facilities – Building for the Arts](#) webpage.

FUNDING AVAILABILITY

The Department of Commerce (Commerce) is soliciting applications from eligible organizations to implement Building for the Arts capital projects.

BFA is a state program funded entirely through the sale of state bonds. No federal dollars are involved. The maximum grant award, per applicant, for the 2023-2025 biennium is \$2,000,000. The total available for funding is \$18M. There is no minimum grant award amount. The BFA Advisory Board, which ranks grant applications, reserves the right to modify the amount of any request for funding.

WHO MAY APPLY

This program awards state grants to Tribes and nonprofit, community-based organizations registered in the state of Washington.

CONDITIONS OF FUNDING

The BFA program, operated by Commerce, receives funding from the Legislature and may provide grants as defined in the capital budget. This program awards state grants to nonprofit, community-based organizations to defray up to 33 percent of eligible capital costs for the acquisition and major new construction or renovation of arts and cultural facilities. Historical museums are ineligible and should instead contact the [Washington State Historical Society](#).

All facilities funded by BFA must meet the following eligibility standards ***at the time the application is submitted***:

- a. Funding is available to nonprofits and Tribes.
- b. Funding must be utilized in the manner outlined in the application.
- c. Awardees must have and maintain a Washington State business license through the Department of Revenue (DOR) and be registered with the Washington Secretary of State (SOS), if applicable.
- d. Awardees for all projects must meet requirements of Executive Order 21-02. Project review by Department of Archaeology and Historic Preservation as well as affected Tribes is required.
- e. Most projects are required to apply for LEED Silver certification. New construction and renovation projects under 5,000 square feet are exempt from this requirement.
- f. Awardees must pay state prevailing wages as of the date the budget becomes effective.

- g. Awardees must have made substantial progress in a capital fundraising campaign dedicated to the project or have secured all non-state funding needed to complete the project.
- h. Awardees must have binding control of the project site via ownership or executed long-term lease (15 years from the application date—no operating agreements).
- i. Grant funds are only available once the awardee is able to prove site control. If BFA funds are needed to acquire real property, funds may be released at closing through the escrow process. Acquisition of bare land must be accompanied by the construction of a usable facility to be an eligible project. Also see Securitization section below.
- j. Grant funds are only available once the awardee is able to prove all other funding sources are legally bound and committed.
- k. Grant funds must be expended by the end of the contract term. The contract term will be identified as a four-year period but the awardee should be aware Washington operates under a biennial (two-year) budget. Each appropriation in the Capital Budget must, by law, lapse at the close of the biennium. Commerce will request one reappropriation of any unspent funds. However, we cannot guarantee the Legislature will agree to extend funding, nor can we legally obligate funds from one biennium to another. Awardees are encouraged to get under contract and expend their funding in a timely manner.
- l. The awardee must maintain and operate the facility and provide services for the commitment period of ten (10) years from the date of the last grant payment.

SECURITIZATION

For projects where the award is equal to or in excess of \$250,000, and where real property is or will be owned fee simple or a leasehold estate secured through a long term lease meeting or exceeding the term of the commitment period, Commerce may secure the grant with either a recorded Deed of Trust or a Leasehold Deed of Trust, a Promissory Note, and in some cases a Covenant. We will also require a Lender’s Title Insurance policy be purchased by the awardee. The title policy shall be free and clear of unpaid taxes, liens, or encumbrances unless otherwise approved by Commerce. A Commerce Securitization Officer will reach out to the awardee to provide technical assistance once the awardee has provided their contract manager with a finalized set of Readiness Survey and Working Papers.

For projects with a predesign only or pre-development only grant award, securitization is waived.

WHAT IS A PROJECT

BFA competitive grants fund only new construction or renovation projects that are “major” in scope. We do not consider a project to be general maintenance and repairs, or Americans with Disabilities Act (ADA) upgrades when accompanied by other renovations. An aggregation of ordinary maintenance items does not constitute a major project, regardless of cost.

For example, the installation of an elevator would not be fundable as a stand-alone project. Nor would replacing a roof or installing energy-efficient windows in a smaller building, purchasing bleachers, expanding a parking lot, or adding a security system. These would be eligible costs, however, if included as part of a larger project.

When distinguishing between a major and minor project, we consider the complexity of the project, e.g., adding new flooring might be eligible if it requires renovation of a facility or adding on to an existing facility. Another factor could be the greater difficulty of funding capital projects in rural parts of the state. We strongly encourage you to contact Community Capital Facilities staff if you are unsure whether your project is eligible.

ELIGIBLE PROJECTS

Projects proposed for funding must:

- Be an arts-related facility such as a performing arts center, an art museum, or a cultural facility (e.g., Native American longhouse)
- Facilities must focus on the active interpretation, performance, or exhibition of aesthetic traditions, practices, or works of art that characterize cultural values

INELIGIBLE PROJECTS

- Acquisition of bare land without construction of a usable facility;
- Community centers; and
- Historical museums

PARTNERSHIPS

Partnerships will be considered, but the nonprofit must be designated as the lead applicant, have control of the project site, and submit the application on behalf of the partnership. The applicant must be a nonprofit organization or Tribe that is primarily dedicated to arts-related activities. The BFA Advisory Board will consider applications from nonprofit foundations qualified to raise funds for an otherwise ineligible organization, but will prioritize nonprofits that have direct control of the project. For example, the applicant could be a foundation working in partnership with a Tribe, or a governmental entity such as a school district or a public development authority.

All partnerships must provide at the time of application a copy of an executed joint-operating agreement that:

- Lasts a minimum of 15 years from the application due date;
- Establishes the applicant (the nonprofit organization) as possessing substantial authority to manage the facility and programming;
- Contains a contingency plan to address the possibility of dissolution or other change of ownership, with the objective being to protect public funds.

Public-nonprofit partnerships can be valuable in developing and sustaining arts and cultural facilities, particularly in geographically isolated or economically disadvantaged areas. However, this grant program's intent is to fund nonprofits, which do not have the taxing and bonding authority of governmental entities. Therefore, nonprofit-public partnerships

will be assessed for whether their project will primarily benefit the community at large, rather than the participating public agency's clients or students.

LLCs AND NONPROFITS

The applicant's facility may be owned by a limited liability corporation (LLC) as long as the nonprofit holds the majority interest (more than 50%) through the duration of a tax credit program. At the conclusion of the commitment period the facility may be placed in an LLC if it is wholly owned by the nonprofit. The applicant must be able to demonstrate that it is receiving a significant benefit from the arrangement through a reduction in the capital costs of the facility.

MIXED-USE FACILITIES

Mixed-use facilities may be considered, but these projects will be funded at 33 percent of the eligible capital cost of the arts-related component only.

ARE "SECONDS" ALLOWED?

Facilities that have previously received a BFA grant are ineligible for additional funding unless:

- The project's scope of work has significantly changed and BFA funds have not yet been accessed; or
- What is proposed is a different project, or a discrete new phase of the previous project

IN-KIND DONATIONS

In-kind donations may also be reimbursable. Eligible donations include property, labor (except when donated by an applicant's paid staff), materials, or equipment as long as their value can be properly assessed and documented.

For example, the value of donated real estate must be documented by a current (one year or less) appraisal performed by a certified professional appraiser or county assessment. Professional labor is calculated at the rate a volunteer would normally charge for his or her services (be sure to document these costs with invoices). Nonprofessional labor is calculated at \$15 per hour.

However, Commerce reserves the right to make the final determination regarding the acceptability of in-kind contributions.

The BFA board is wary of projects too dependent on in-kind donations, particularly if they are heavily leveraged with loans. This is why the amount of nonprofessional, in-kind labor and loans you can receive credit for in our formula points is capped at 10 percent of project costs.

LEED: HIGH-PERFORMANCE BUILDING LAW

The 2005 Washington State Legislature passed a law that requires many of our competitive grant recipients to comply with what has been termed “high-performance” or “green” building standards (RCW 39.35D).

The legislation’s goal is for major capital facilities projects receiving state dollars to be built to the LEED silver standard where “practicable.” LEED (which stands for Leadership in Energy and Environmental Design) is a certification program run by the U.S. Green Building Council.

These building principles offer the most savings when incorporated early in the design process. Therefore, we strongly encourage you to talk with your architect as soon as possible.

The first issue you may wish to explore is whether your project is required to meet the LEED silver standard. The law offers two types of exemptions:

Exemption 1: Facility types

The following types of facilities are exempt:

- Acquisition only - does not include construction or renovation;
- New construction less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code;
- Renovation projects whose costs are less than 50 percent of the facility’s assessed value or are less than 5,000 gross square feet of occupied or conditioned space; or
- Facilities such as hospitals; research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types.

Exemption 2: Not practicable

- Renovation projects that involve a new addition to an existing building may not be required for LEED Certification. We are not permitted to offer this exemption because of cost or timing-related issues.

You don’t need to wait until you turn in a grant application to find out if your project will be exempted. Please contact us and we can quickly assess your project.

ADVISORY BOARD ROLE

The BFA Advisory Board helps develop program policy, reviews applications, and recommends projects for funding. The board consists of volunteers from the public and private sectors with demonstrated expertise in funding, administering, and/or advocating for arts-related organizations.

APPROPRIATIONS PROCESS

The BFA board will forward its recommendations, in the form of a prioritized list, to the Commerce director in the Fall of 2022. If approved by the director, the list will be included in the agency’s 2023-2025 Capital Budget request, which is submitted to the Governor’s

budget office. If approved by the Governor, the list will be included in the 2023-2025 Capital Budget request.

The 2023 Legislature will make the final determination as to which projects, if any, receive BFA grants, and the total amount of funds to be provided for the 2023-2025 biennium. The Governor must sign the capital budget before an appropriation is legally binding.

APPLY NOW OR WAIT?

The biennial nature of our funding cycles can make judgments about when to apply for a BFA grant more complex. Community Capital Facilities staff can help you think through your options.

The applications that rank highest are usually submitted by organizations that have raised upwards of 50 percent of funds needed to complete their project. This is because BFA funds come from the sale of state bonds, and when a grantee does not promptly spend its award, this ties up the state's bonding capacity.

The BFA board has funded projects that were not as far along in their fundraising if they excelled in other respects. However, an applicant that has not secured as much capital funding needs to provide evidence of its ability to promptly raise all needed funds.

Be sure that your project's scope has been solidified before you apply. If you are awarded funds, we cannot write a contract that deviates significantly from your application.

MISREPRESENTATION

Any organization that presents false or misleading information in their application will be disqualified.

RECOMMENDATIONS

The BFA Advisory Board's recommendations are based upon the numerical rankings determined by scoring criteria and qualitative factors that may include (but are not limited to) distributing funds as fairly as possible around the state.

As with our other competitive grant programs, BFA applicants who are farther along in their fundraising tend to score better than those who aren't. At the same time, the Board reserves the right to prioritize projects with less access to alternative sources of funding.

Advisory Board decisions are final.

CONTRACTING SPECIFICS

FUNDING RESTRICTIONS

Funds awarded under this program originate from the sale of state capital bonds, and include no federal funds. We are mindful of the management pressures faced by nonprofits, and strive to administer BFA funds expediently and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the state Office of Financial Management, the Treasurer and the Office of the Attorney General. We must also comply with federal arbitrage regulations.

BFA awards are funded through an appropriation in the capital budget. A grant can only be spent by the designated organization for eligible costs that fit the scope of work listed in the grant application. In other words, the application becomes a controlling document that guides how the grant can be spent.

COST REIMBURSEMENT

Capital budget funds are available on a reimbursement basis only, and cannot be advanced under any circumstances. For the purposes of this program, reimbursable costs are those that are already incurred and paid by the grantee.

We may reimburse grant recipients for costs incurred and paid prior to the date a contract is executed, and as far back as July 1, 2020.

MATCHING FUNDS

BFA grants may be used to pay up to 33 percent of each individual invoice of eligible project costs; the remainder must come from non-state sources. Non-state matching funds may consist of cash on hand, documented pledge commitments, the value of land acquired for the project, and in-kind contributions when properly documented. Grantees may also include the proceeds of a letter of credit or other binding loan commitment as part of their non-state matching funds. The value of land used as non-state match must be supported by a current (one year or less) appraisal performed by a certified professional appraiser or a county assessment. The perceived value of discontinued leases is not eligible to be used as a match.

AVAILABILITY OF FUNDS

Funds are anticipated to be available in September of 2023, but that can vary depending upon factors such as when the state budget is approved. A contract cannot be written until the grantee has met all funding conditions. Contracts generally take four to six weeks to execute once the grantee provides us with all needed information. Contracts are developed on a first-come, first-served basis.

CONTRACTING CONDITIONS

Three requirements must be met before grantees can begin drawing down their grant funds.

Grantees must demonstrate in writing the financial capability to complete the entire project. This means that the entire amount of non-state matching funds must be committed to the project.

Grantees must provide written evidence of site control by the application deadline, either through outright ownership of the subject property or an executed long-term lease (at least 15 years from the application due date).

Nonprofit organizations must provide Commerce with a deed of trust or leasehold deed of trust as security for the grant and it must be recorded before reimbursement of project costs. Contracts under \$250,000 are exempt from this requirement.

RESCINDING FUNDS

Community Capital Facilities reserves the right to rescind any authorization. If this occurs, the organization may be eligible to reapply for funding in future grant cycles.

ADMINISTRATIVE FEE

Community Capital Facilities is authorized to retain three percent (3%) from each award to cover all administration costs (this is our sole source of funding; we receive no state General Fund dollars). As you build your project budget, keep in mind that the net grant amount will be slightly less than the legislative appropriation. The administrative fee is not reimbursable to the grantee and should not be listed in the Project Budget.

CHANGE OF OWNERSHIP

Capital projects constructed with state funds require that the facility or project be held by the grantee for 10 years from the date of the last payment disbursed and that the facility or project be used for the same purpose expressed in the enabling legislation or contract during that time.

ELIGIBLE COSTS

Capital budget funds may generally be used to pay for the following construction-related expenses incurred by the grantee as far back as July 1, 2020:

- Design, architectural, and engineering work;
- Building permits/fees;
- Archeological/historical review;
- Construction labor and materials;
- Demolition/site preparation;
- Capitalized equipment;
- Information technology infrastructure (cables and wiring);
- Construction management (from external sources only)*;
- Initial furnishings**;
- Landscaping, and
- Real property when purchased specifically for the project, and associated costs***

INELIGIBLE COSTS

All of our grants are intended to fund bricks and mortar. This is why the following costs are not eligible for reimbursement and cannot be used to match state funds:

- Internal administrative activities;
- Project management (from any sources);
- Fundraising activities;
- Feasibility studies;
- Computers or office equipment;
- Rolling stock (such as vehicles);
- Lease payments for rental of equipment or facilities; mortgage or property leases (including long-term); and
- Moving of equipment, furniture, etc., between facilities.

LOAN PAYDOWNS

BFA cannot be used to retire existing debt.

* Construction management and observation is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work performed by off-site consultants or consultant organizations, grant writers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

** Furnishings and equipment are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

*** Costs directly associated with property acquisition include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses. However, BFA grants cannot reimburse a grantee the market-rate value of an existing reduced-cost lease.

APPLYING

The application is available through a third-party on-line provider called [ZoomGrants](#). When the application opens, a link to the ZoomGrants application will be posted to the Community Capital Facilities – [Building for the Arts](#) webpage.

ZoomGrants

- If you have a [ZoomGrants](#) account, log in and search for applications available through the Department of Commerce. You can also use the links posted to our [BFA website](#) to directly access the application.
- If you are a new user to ZoomGrants, click [here](#) and complete the required information for a new “Applicant” account. Please do not use “The” as the first word in the agency name when creating your account profile.
- For more information about using the ZoomGrants system, see the [How To Guide For Applicants](#) provided by ZoomGrants.

SUBMISSION FORMAT

- ONLY applications and documents associated with the application submitted through ZoomGrants will be accepted. No mailed hardcopy or emailed applications or documents will be accepted. Hyperlinks provided in the application to additional documentation will not be viewed.
- Answers to application questions are saved by the system automatically after each response. You do not need to complete an application in a single session and can come back to where you left off with your application whenever necessary. Applicants will receive a notification from the ZoomGrants system when the Pre-Application responses and final application is successfully submitted.
- A response to all questions is required unless otherwise indicated. Answer all questions thoroughly and pay attention to the directions provided for each question because some questions are multi-step. Answers that are not responded to will be considered incomplete and if enough information is missing throughout the application, the application may be considered incomplete and not reviewed.

If a document is indicated as ‘required’ or ‘required if applicable’ and you do not submit the requested material, the application will be considered incomplete and not reviewed.

HOW TO GET STARTED & MEETING SUBMISSION DEADLINES

The applicant must respond to the Application Questions no later than the date and time stated in the table above. Commerce staff will review Pre-Application Questions and

reach out to the applicant for further information or approve an application to move forward for completion.

- To respond to the Pre-Application Questions, provide your answers to the questions and then click the submit button. Once the Pre-Application Question responses are received, a Commerce program staff person will either approve the applicant to move forward in completing the remaining sections of the application or they will contact the applicant with additional technical assistance.
- If staff reach out to the applicant with questions, the applicant must respond to those questions in a timely manner. If adequate response to the questions is not received by the Pre-Application Question deadline, you will not be allowed to complete an application.
- When your Pre-Application Questions are approved you will receive a communication from the ZoomGrants system allowing you access to the remainder of the application.

Once the Pre-Application is approved, the remaining sections of the application will be available for completion. The remaining application material must be responded to, in the ZoomGrants system, no later than the date and time stated in the table above.

- All documents associated with the application must be uploaded into the ZoomGrants application and all applicable questions answered, by the submission deadline, for the application to be considered complete.

An incomplete application will be considered non-responsive and will not be reviewed.

SHARING APPLICATION INFORMATION WITH OTHER PUBLIC ENTITIES

Commerce may share application information, submitted through our application process, with other public entities that fund capital, operating or services associated with Building for the Arts. If an applicant receives an award from Commerce, and we have shared that applicant's information with another public entity, this does not guarantee nor should it be taken as an offer of funding from any other public entity. As well, if an applicant receives an award for funding from a public entity that Commerce shared application information with, this is in no way to be taken as an award from Commerce.

TECHNICAL ASSISTANCE

Questions specific to the ZoomGrants system, please contact ZoomGrants:

Online: <https://www.zoomgrants.com/about-us/request-technical-help/>

Phone: 866-323-5404 x2

DISCLAIMER

The BFA Program reserves the right to revise this NOFO, Program Guidelines and FAQ. If so, updated information will be published on the [BFA web page](#). Be advised that numbers for

application questions and order of questions, as outlined in this NOFO, may change in the actual ZoomGrants online application.

PROPRIETARY INFORMATION AND PUBLIC DISCLOSURE

All applicants should be aware that applications submitted in response to this NOFO shall be the property of Commerce. All applications received shall remain confidential until funding decisions are announced; thereafter, the applicants and all submitted materials shall be deemed public records as defined in Chapter 42.56 of the Revised Code of Washington (RCW).

Any information in the proposal that the applicant desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW, or other state or federal law that provides for the nondisclosure of your document, must be clearly designated. The information must be clearly identified and the particular exemption from disclosure upon which the applicant is making the claim must be cited. Each answer to an application question or page of supplemental information provided that contains the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information." This identification should be printed on the lower right hand corner of the page for supplemental information and in the right hand corner of any answer provided to a question in the application. A document should be uploaded into the documents section of your application identifying all application questions and supplemental information that the applicant has indicated as Proprietary Information and also the particular exemption citation. Marking the entire proposal exempt from disclosure or as Proprietary Information will not be honored. If a public records request is made for the information that the applicant has marked as "Proprietary Information," Commerce will notify the applicant of the request and of the date that the records will be released to the requester unless the applicant obtains a court order enjoining that disclosure.

If the applicant fails to obtain the court order enjoining disclosure, Commerce will release the requested information on the date specified. If an applicant obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, Commerce shall maintain the confidentiality of the applicant's information per the court order.

