

Virginia Enterprise Zones

The Virginia Enterprise Zone Program *2008 Qualification Year Annual Report*



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

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Cover Page Photographs: Before and after pictures of the renovated former Lucky Strike Tobacco Company power plant in Richmond, VA. The building is now the home to Odell Associates, Inc.

2008 QUALIFICATION YEAR IN REVIEW

Request for Incentives

- 431 applicants qualified for the Enterprise Zone incentives
- 374 businesses and investors received the Grant incentives
- 57 applicants received the Pre-2005 incentives

Real Property Investment Grant

- 325 Zone Investors received \$13,202,493
- \$407,500,422 of qualified real property investments were spent on the following properties:

- 243 commercial - 201 rehabilitations
- 41 industrial - 90 new construction
- 41 mixed-use - 34 expansions

Job Creation Grant

- 49 businesses received \$1,091,407
- 1,920 net new full-time jobs were created

Investment Tax Credit

- One business received \$600,000

General Income Tax Credit

- 56 businesses received \$2,262,027



Galax, VA



Danville, VA

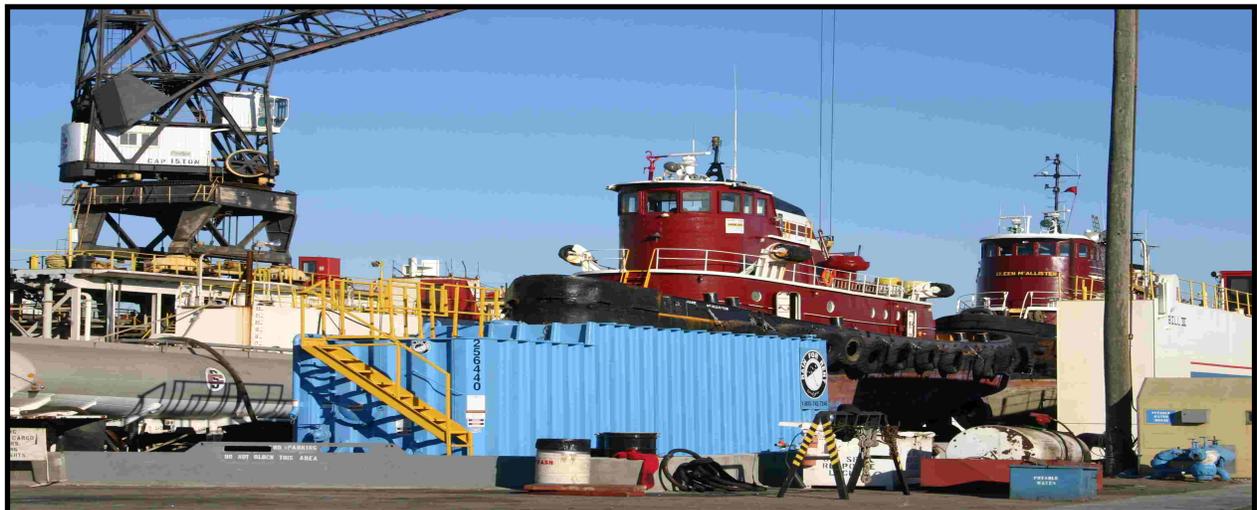
ENTERPRISE ZONE PROGRAM OVERVIEW

The Enterprise Zone Program is a partnership between state and local governments that promotes economic development through job creation and real property investment. Used in conjunction with other available local, state, and federal programs, Enterprise Zones can leverage private sector investment in targeted areas throughout Virginia.

The Virginia Program was first established in 1982. In 2005 the General Assembly made numerous changes to the program. The 2005 Enterprise Zone Grant Act brought about several important changes to the Zone designation process and the state incentives offered under the program.

There are 57 active Enterprise Zones in the Commonwealth; however, under the 2005 Act the total number of Zones is to be reduced to 30. The Governor has the power to designate the new Zones as the older Zones expire. Ten Zones have been designated since the passage of the 2005 Act and DHCD will hold a competitive application round at the end of 2009 for four Zone designations currently held by Norfolk/Portsmouth, Prince George County, Staunton, and Suffolk, all of which expire on December 31, 2009.

The 2005 Act also replaced the tax credit and job grant incentive package, created in 1995, with two grant incentives. In addition to supporting the overall policy shift for the program, the new incentives also reflect changes in business practices and development trends that have occurred over the past decade. The statute also has transition provisions that allow qualifying businesses to continue to receive the incentives available under the previous program. Businesses that began qualification periods for the Pre-2005 incentive program prior to July 1, 2005 can complete them provided they continue to meet the qualification requirements. Business firms that had signed agreements with DHCD in place by July 2005 may also initiate use of the tax credits but must do so before the expiration of their Zone or 2019. By statute, the tax credits are only available through fiscal year 2019.



Norfolk, VA

2008 INCENTIVE REPORT

Businesses and qualified zone investors requesting state incentives in 2008 accessed two grants, the Job Creation Grants and Real Property Investment Grants. As discussed on the previous page, businesses grandfathered by statute can continue to access the Pre-2005 incentive package. This report discusses the use of both the new incentives and the Pre-2005 incentives.

For the 2008 qualification year, a total of 431 businesses and zone investors qualified for Enterprise Zone incentives. A total of 374 businesses and zone investors received the new grant incentives in 2008 and 57 applicants received the Pre-2005 incentives. A brief summary of the two incentive packages is described below.

Pre-2005 Incentive Package

The Pre-2005 state enterprise zone incentives available are:

1. A ten-year **General Income Tax Credit** against a business's state tax liability in an amount up to 80 percent for year one and 60 percent for years two through ten. Businesses with signed agreements, creating at least 50 jobs, and investing more than \$15 million receive a negotiated amount of this credit.
2. An **Investment Tax Credit** equal to a negotiated amount not to exceed five percent of qualified zone investments.

2008 Grant Incentive Package

1. A **Real Property Investment Grant** of up to 20 percent of the total amount of qualified real property investments (qualified hard construction costs) made to a building or facility in an Enterprise Zone, not to exceed \$125,000 within a five consecutive year period for investments of less than \$5 million. For qualified real property investments of \$5 million or more, the grant is capped at \$250,000 per building or facility. For rehabilitation and expansion a zone investor must spend at least \$50,000 in qualified real property investments and for new construction, a zone investor must spend at least \$250,000.

2. A **Job Creation Grant** of up to \$500 per year for each net new permanent full time position created above a four position threshold earning at least 175 percent of the Federal minimum wage¹ (\$11.46/hour) with health benefits. For positions earning at least 200 percent of the Federal minimum wage (\$13.10/hour) with health benefits the grant amount is up to \$800 per year for each position. Eligible firms can receive grants for up to 350 positions per year. These grants are available for a five-year qualification period. Retail, food and beverage and personal service positions are not eligible for grants.

¹ As of July 24, 2009, Congress increased the federal minimum wage from \$6.55 per hour to \$7.25 per hour. With these changes, 175 percent of the wage amounts to \$12.69/hour and 200 percent of the wage is \$14.50/hour. This will affect applicants for the 2009 calendar year.

PRE-2005 TAX INCENTIVES

Figure 1: Tax Credit Totals 2005 - 2008

<i>Tax Credit Totals</i>				
(2005 - 2008)	2005	2006	2007	2008
Qualified Businesses	151	113	81	57
Total Requests	\$ 7,069,821	\$ 14,629,954	\$ 7,435,763	\$ 2,862,027
Total Issued	\$ 7,069,821	\$ 7,500,000	\$ 7,435,763	\$ 2,862,027

Source: Enterprise Zone Administrative System

The Enterprise Zone Statute allows businesses meeting certain pre-defined conditions to receive incentives available under the tax incentive program in place prior to the current grant program. Provided that eligibility requirements established for incentive benefits continue to be met, businesses that had previously qualified for General Income Tax Credits and Investment Tax Credits may complete their incentive qualification period. Firms with signed agreements with DHCD in place by July 2005 may also still initiate use of tax credits once their negotiated targets are met. Figure 1 provides an overview of tax credits used during the 2005-2008 period.

There were 57 requests for Pre-2005 Tax Credits during 2008. The 57 businesses were issued less than \$ 3 million in credits, well under the program's \$ 7.5 million ceiling. Since the inception of the Enterprise Zone Grant Program in 2005, the number of Tax Credit applications has steadily declined. In 2008 General Income Tax Credit application submissions decreased by 30 percent over 2007 submissions. The percentage decrease is even more striking, 63 percent, when comparing the 2008 numbers to the 2005 numbers. This decline shows an expected trend in the use of the Enterprise Zone Program as more businesses qualification periods expire. Many businesses may have also chosen not to apply because of lower tax liability due to the recession. The more than doubling of the dollar amount of tax credit requests in 2006 was due to a large investment tax credit request.

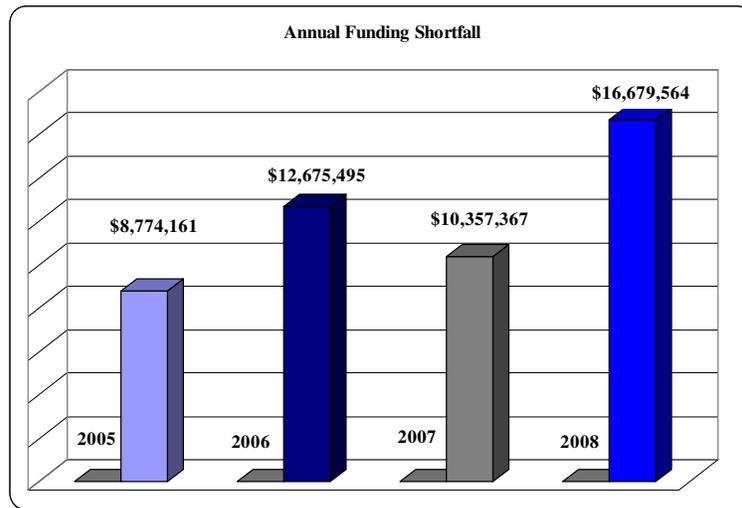
ENTERPRISE ZONE GRANTS – 2008 USAGE

The Job Creation and Real Property Investment Grants have now been in effect for four years. From the four years of data have emerged several consistent patterns. The Real Property Investment Grants consistently uses over 90 percent of the funds allocated to the grant incentives. Seventy percent of real property requests are for commercial projects with industrial and mixed use projects splitting the remaining 30 percent of the requests. Seventy percent of the real property grants are spent on new construction or expanding existing buildings and only thirty percent is spent on rehabilitating structures. New construction grants on average are nearly twice the size of grants for rehabilitation of a building.

Since the inception of the Grant Program, high investment and usage levels have resulted in funding requests that surpassed funding allocations. The Enterprise Zone Grant Program is performance-based and any qualified investor or business meeting Program requirements is eligible to receive a grant. When requests exceed allocated dollars, proration is applied as required by statute to all grant requests equitably.

In total, \$30,973,464 was requested in grant funds during FY 2009, far exceeding the \$14,293,900 allocated by the General Assembly. The request amount rendered the highest proration that the Program has experienced since its 2005 inception at 46 cents on the dollar. Figure 2 below shows the funding shortfalls the Program has experienced since its inception in 2005.

Figure 2: Funding Shortfalls by Grant Year



Source: Enterprise Zone Administrative System

During 2009, in an effort to address these shortfalls, the Virginia General Assembly passed legislation to change the parameters of the Real Property Investment Grant. New parameters, which will be in effect for projects completed during calendar year 2009, require Real Property Investment Grant applicants to invest at least \$100,000 (previously \$50,000) for rehabilitation

and expansion projects and at least \$500,000 (previously \$250,000) for new construction projects in order to become eligible for program consideration. Investments made in excess of those spending thresholds will qualify applicants for grants equaling up to 20 percent of the excess investment and stopping at a grant cap. For investments of less than \$5 million, the grant cap is \$100,000. Investments exceeding \$5 million are subject to a grant cap of \$200,000. Previous grant caps were \$125,000 for projects totaling less than \$5 million in total investment and \$250,000 for projects in which investment totaled above \$5 million.

Real Property Investment Grant

Figure 3: Real Property Investment Grant Allocation Summary

<i>Real Property Investment Grant Summary</i>		
(2008)	Requested	Issued
RPIG	\$28,608,493	\$13,202,493

Source: Enterprise Zone Administrative System

Applications for Real Property Investment Grants are submitted in much higher numbers than those submitted for Job Creation Grants. A total of 325 Real Property Investment Grant applications and 49 Job Creation Grant applications qualified. As a result, the majority of allocated funds were dedicated to grants for real property investments. Figure 3 shows that for the 2008 qualification year (paid from the FY 09 allocation) requests for Real Property Investment Grants totaled \$28,608,493. This accounts for roughly 92 percent of total Grant Program requests.

The 2008 cycle saw individual investments that ranged from a low of \$51,000 to a high of over \$30 million with the median investment being \$426,000. The increase in the median investment was slight in comparison to the 2007 grant year. The number of applications on the other hand saw a substantial increase. There were 42 more requests, or a 14 percent increase in applications over the 2007 cycle. The total reported real property investment increased \$125,201,216 over last year for a record total of \$407,500,422.

Qualified Real Property Investments

The 2008 grant year was the second year that the Enterprise Zone Program operated under changes enacted by the Virginia General Assembly during 2007. In 2007, the General Assembly passed legislation that adjusted the calculation of the investment thresholds and benefits for the Real Property Investment Grant in order to incentivize greater real property investment and in turn begin to lessen the demand this grant places on the incentive budget allocation. The 2007 legislation, which went into affect for the 2007 qualification year, lowered to 20 percent the amount of qualified real property investment for which real property investment grants may be awarded (previously at 30 percent). The legislation also established a new threshold to

receive the maximum \$250,000 grant by increasing the amount of required investment to qualify from \$2 million to \$5 million or more. With two years of data collected since the 2007 changes became effective, we are now in a position to examine the impacts these changes have had on the Program.

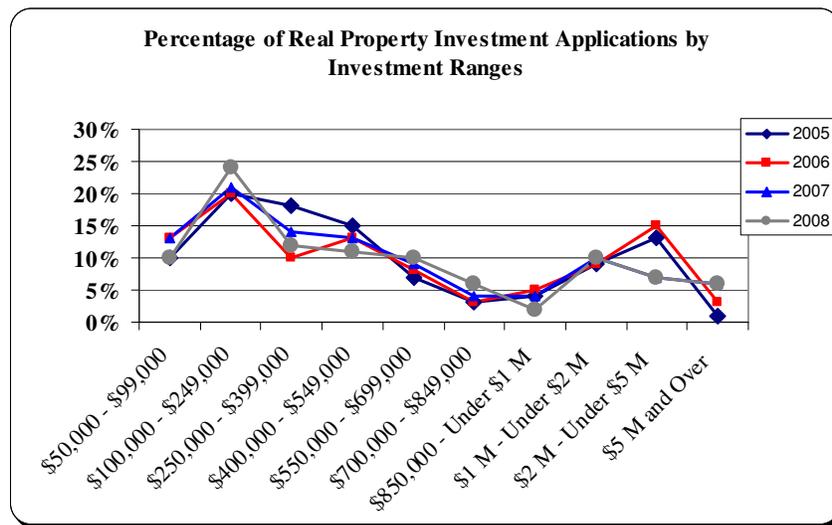
Figure 4: Qualified Real Property Investment Ranges

Qualified Real Property Investment Ranges (2005 - 2008)				
Range of Investments	2005	2006	2007	2008
\$50,000 - \$99,000	10%	13%	13%	10%
\$100,000 - \$249,000	20%	20%	21%	24%
\$250,000 - \$399,000	18%	10%	14%	12%
\$400,000 - \$549,000	15%	13%	13%	11%
\$550,000 - \$699,000	7%	8%	9%	10%
\$700,000 - \$849,000	3%	3%	4%	6%
\$850,000 - Under \$1 Million	4%	5%	4%	2%
\$1 Million - Under \$2 Million	9%	9%	10%	10%
\$2 Million - Under \$5 Million	13%	15%	7%	7%
\$5 Million and Over	1%	3%	6%	6%
Total	100%	100%	100%	100%

Source: Enterprise Zone Administrative System

Figure 4 shows that the percentage of zone investors within each grant request category has varied very little since the program's beginning. The variations were mostly attributable to the 2007 threshold changes rather than shifts in investment patterns. The effect of the 2007 legislative changes can more readily be seen in Figure 5.

Figure 5: Real Property Investment Applications by Investment Range



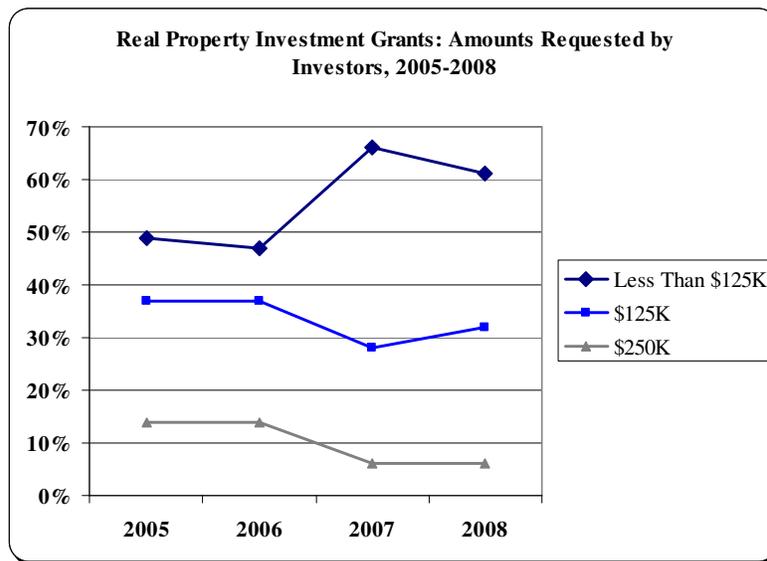
Source: Enterprise Zone Administrative System
 2007 data for investment of more \$1 million are the same as the 2008 data.

A spike is seen in the 2005 and 2006 data for projects where total investment is more than \$2 million but less than \$5 million. One explanation for this jump in the data is the level of investment in the grant applications is commonly underreported. After the 2007 changes Zone investors had to spend at least \$5 million instead of the previous \$2 million to reach the second tier of grants. Thus, many applicants within the higher investment ranges prior to 2007 tended to report only the \$2 million level of investment needed to reach the grant cap. Therefore, the actual dollar amount spent by zone investors prior to 2007 was higher than the amount reported.

Amount of Real Property Investment Grants Requested

Figure 6 below divides real property investors into three groups. Funds are requested at amounts equaling less than \$125,000 when real property investors capitalize expenditures that meet the required grant thresholds and are between \$50,000 and \$624,999. Grant funding is issued at \$125,000 when investments are between \$625,000 and \$4,999,999. The highest level of funding, \$250,000 is available for any investment made of \$5 million or more.

Figure 6: Grant Investor Request Amounts 2005 - 2008



Source: Enterprise Zone Administrative System

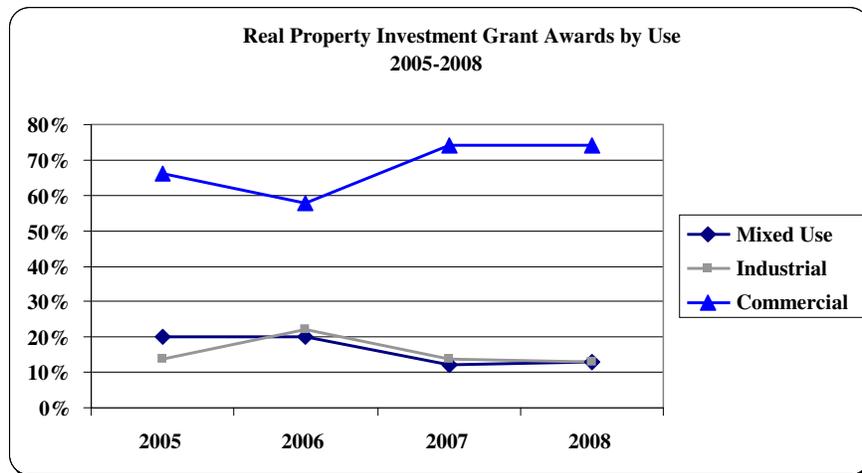
During the 2007 and 2008 grant years, qualified investors accessing \$250,000 from the Enterprise Zone Program fell due to the increase in required investment (\$5 million versus \$2 million – see Figures 4 and 5). A decrease was also realized in the number of investors accessing funds at the \$125,000 level. That decrease can be attributed to the shift from receiving awards of up to 30 percent of total investment to receiving awards of up to only 20 percent of total investment. Alternatively, investors qualifying for funds of less than \$125,000 rose dramatically.

Type of Qualified Real Property

The Real Property Investment Grant is available for investments made to commercial, industrial, or mixed-use buildings. (Improvements made to office space fall under the commercial category.) Mixed-use property became eligible under the 2005 statute. The practice of investing in building space where the uses are split has become a growing trend in previous years and a popular method of revitalizing city centers. For the purposes of this program, mixed-use is defined by statute 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.”

Commercial projects have always experienced the highest use of Enterprise Zone Grant funds (see Figure 7). In 2007 and 2008 commercial projects using Program funds reached a plateau. Given the decrease in commercial construction, as a result of the recent recession, a return to the pre-2007 levels is likely.

Figure 7: Type of Real Property 2005 - 2008



Source: Enterprise Zone Administrative System

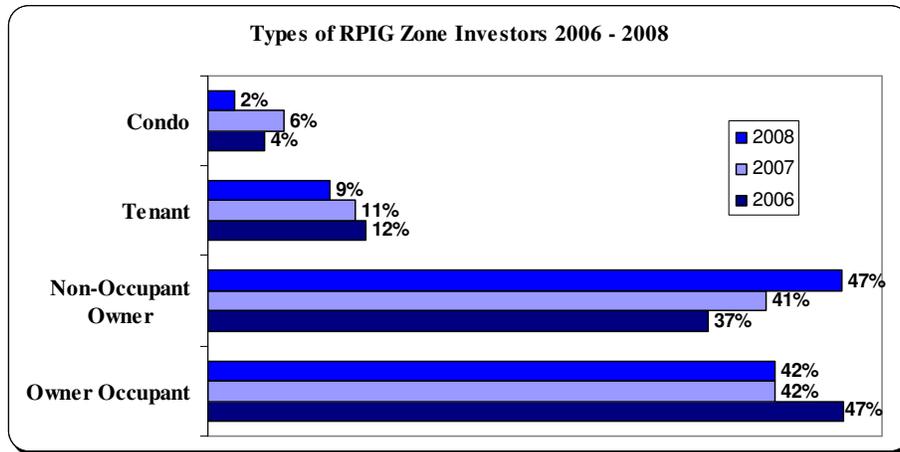
Type of Zone Investor

There is a common business practice of establishing, for liability reasons, a legal entity separate from the operating company to hold a business’s real estate. One of the major changes under the 2005 statute was recognition of this practice and 2005 became the first year the applicants for the RPIG grant could be non-occupant owners and apply for grant funding on eligible investments. Applicants owning space in a building, tenants who have capitalized their own improvements, owner occupants, and developers are the other eligible types of Zone investors.

The largest group of investors during 2008 was non-occupant owners (see Figure 8). This group experienced an increase of six percent since 2007 and has replaced the overall high percentages of owner occupants during the 2006 and 2007 grant years. Owner occupants were

the second largest category of investors in 2008 followed by tenants and owners of space in buildings (condos).

Figure 8: Types of RPIG Zone Investors



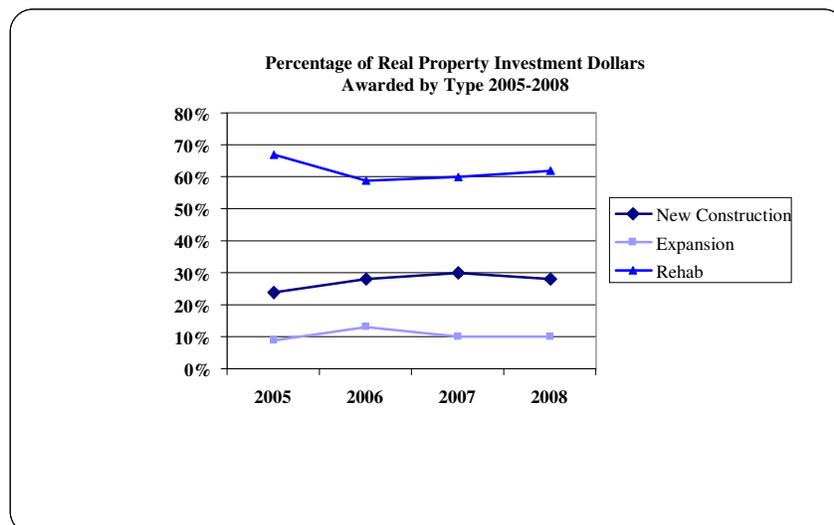
Source: Enterprise Zone Administrative System

Type of Real Property Investment

Figure 9 is an illustration of the nature of the real property investment that was made between the 2005 and 2008 grant years. New construction, rehabilitation, and expansion projects may all qualify for funding from the Enterprise Zone Program.

The percentage of grant dollars awarded to each category of real property investment has remained primarily the same since 2005. New construction projects receive roughly 60 percent the real estate investment grant funds annually. Rehabilitation project follows at 30 percent and expansion projects receive 10 percent.

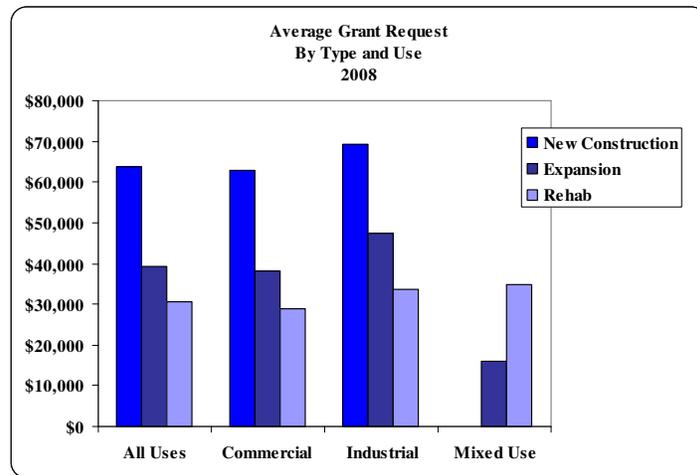
Figure 9: Type of Real Property Investment



Source: Enterprise Zone Administrative System

Figure 10 shows the average real property grant by type and use for 2008. New construction and expansion projects received the highest levels of investment regardless of property use. An average new construction grant was more than double the average rehabilitation grant. None of the mixed use projects were new construction. Since many mixed-use projects involve the conversion of older spaces, this pattern is in line with an overall development trend.

Figure 10: Average Award by Type and Use 2008



Source: Enterprise Zone Administrative System

Job Creation Grant

Figure 11: Job Creation Allocation Summary

Job Creation Grant Summary		
(2008)	Requested	Issued
JCG	\$2,364,971	\$1,091,407

Source: Enterprise Zone Administrative System

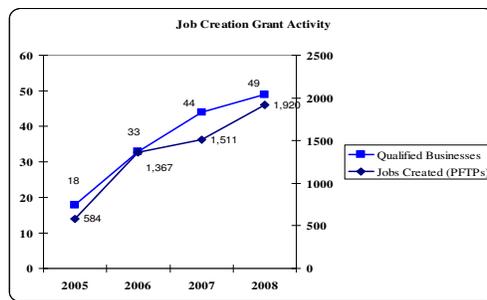
Figure 11 shows that for the 2008 qualification year, requests for Job Creation Grants totaled \$2,364,971. This accounts for roughly 8 percent of total Grant Program requests. Job Creation Grants are issued to companies located within Enterprise Zones and creating net new, permanent full-time positions, once they have exceeded a four job threshold. Employers must be paying their new employees at least 175 percent of the federal minimum wage in addition to offering coverage for at least 50 percent of the employee's health insurance premium. Any positions that are not permanent, full-time, or that fall under the NAICS codes assigned to retail trade, personal services and food services are not eligible for Program funding as specified by statute.

Grant awards are issued at two levels. The first level grants the employer up to \$500 per employee and is dedicated to positions earning between 175 percent and 199 percent of the

Federal minimum wage. The second grant level awards up to \$800 per employee to the employer. The higher award amount is dedicated to those positions earning 200 percent or more of the Federal minimum wage.

The number of Job Creation Grant applications has steadily increased since the inception of the Enterprise Zone Grant Program in 2005. Figure 12 shows that the steady increase in program participants has been followed by corresponding increase in the number of net new jobs created. On average, 37 net new full time positions have been created for each new business in the Program. A continued rise in Job Creation Grant applications is expected as businesses that previously used the General Income Tax Credit incentive under the Pre-2005 Program begin to utilize the current grant incentive.

Figure 12: Qualified Job Creation and Grant Activity 2005 – 2008



Source: Enterprise Zone Administrative System

Usage by Sector

In the 2005 grant year, only three business sectors comprised all qualified firms: manufacturing; transport/warehousing; and construction. In 2006, the very restrictive “local service” position provision was lifted from the statute and grant years 2006 through 2008 marked a significant diversification in business sectors. Figure 13 compares the 2005 grant year job sector data with the data collected on job sectors in 2008. The lifting of the local service position provision along with the continued trending decline in manufacturing employment is the most likely cause of this greater diversification.

Figure 13: Qualified Grant Firms

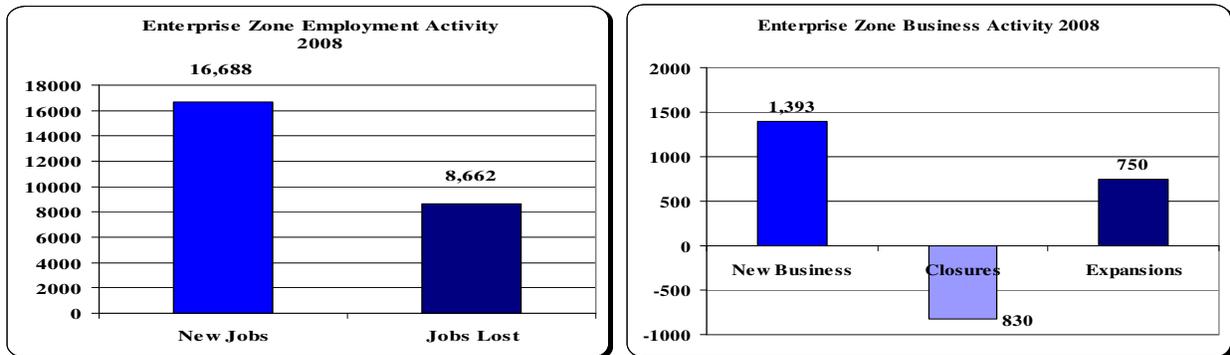
Job Creation Grant Qualified Firms				
Type of Business Firm	2005		2008	
	#	%	#	%
(2005 and 2008)				
Construction	1	6%	3	6%
Health Care/Social Assistance	0	0%	1	2%
Information	0	0%	2	4%
Manufacturing	15	83%	29	59%
Other Services	0	0%	1	2%
Professional/ Scientific Services	0	0%	4	8%
Transport/Warehousing	2	11%	2	4%
Wholesale Trade	0	0%	5	10%
Waste Management & Remediation	0	0%	2	4%
Total	18		49	

Source: Enterprise Zone Administrative System

LOCAL ENTERPRISE ZONE REPORTS

DHCD requires localities with designated Enterprise Zones to submit annual program reports detailing their previous year's activities. (See Appendix A for Zone Highlights.) The local annual reports include updates on each zone's overall employment and business activity levels. Figure 14 displays employment and business trends within the 57 designated Enterprise Zones for 2008. Job losses within the enterprise zones were offset by a more than two to one increase in new jobs. Similarly, new businesses and business expansions outpaced business closures.

Figure 14: Enterprise Zone Employment and Business Activity 2008



Source: Local Enterprise Zone Annual Reports

The local annual reports also detail public investments within the 57 Enterprise Zones. While many communities in Virginia faced tight budgets with the onset of the 2008-2009 recession, zone communities were still able to make sizable investments in their zones. Figure 15 provides a summary by type of investment. Street projects provided the highest level of infrastructure investment. The lowest level of infrastructure development was dedicated to broadband improvements.

Figure 15: Enterprise Zone Public Investment

Enterprise Zone Public Investment	
Investment Type	Investment
Infrastructure	
Streets	\$ 28,220,921
Water	\$ 15,054,631
Sewer	\$ 20,244,632
Broadband	\$ 357,359
Other	\$ 3,369,738
Public Buildings	
Improvements	\$ 31,461,153
New Construction	\$ 39,026,603
Parks and Schools	
Improvements	\$ 19,105,082
New Construction	\$ 49,191,376
Total	\$ 206,031,497

Source: 2008 Local Zone Annual Reports

The next section of the Annual Report includes a series of appendices that share a sense of what our local partners in the Virginia Enterprise Zone Program are contributing. In addition to providing the information on what zones received incentive awards, we have included highlights of activities in the zones, a summary of the local incentives offered and information on the locations of the zones.

APPENDIX A: ZONE HIGHLIGHTS

Alleghany/Covington/Clifton Forge

- Alleghany Highlands Economic Development Corporation (AHEDC) received a \$282,000 grant from the Alleghany Foundation to fund the redevelopment planning process for downtown Clifton Forge and Covington.
- AHEDC has created and filled an Entrepreneurial Specialist position to support and enable existing business growth and new business start-up activity.
- Dollar General is building a new store in downtown Clifton Forge, the first new construction there in decades.

Bedford

- Proprietors Group of Bedford has renovated street level retail with an extended-stay living unit upstairs to provide alternative lodging for business and leisure travelers.
- Former Hunan Restaurant has been renovated and now serves as American National Bank and Trust Company.

Carroll County/Hillsville

- AmeriPumps, LLC, a large manufacturer of portable water pumps is investing \$4.6 million to move their headquarters to Hillsville from Chattanooga, TN; job projections reach 125.
- Weststar Investments has broken ground on the Market Village retail-based economic development project.

Chesterfield County (Jefferson Davis)

- Manufacturer and servicer of power generation equipment Alstom Power is planning a \$7.5 million expansion which will increase productivity and employee numbers from 150 to 175.
- Four other businesses had recently expanded or opened, amounting to more than \$1.5 million of additional investment.
- Currently 59 businesses have made plans to expand at their existing location.

Chesterfield (Walthall)

- Three of the major shopping centers along Midlothian Turnpike (Cloverleaf Mall, Beaufont Mall and Chippenham Square) purchased during 2007 are under construction.
- Blueprint Automation has invested \$2 million in the expansion of their facility and will hire 13 new employees.
- A total of 59 companies have committed to expansion and development projects in the Walthall Zone over the coming months.

Danville

- Advanced Vehicle Research Center is relocating their headquarters to Danville, making capital investment of \$3,500,000 and is creating a projected 30 jobs.
- Canadian Bank Notes announced location of their Virginia Driver's License operation in Cyber Park creating 15 new high-tech jobs and \$5,000,000 in capital investment.
- Total of 7 new businesses opened in the Downtown and Tobacco Warehouse Districts.

Greensville

- Federal Express is building a new facility located in Greensville County Industrial Park.
- Corrugated pipe manufacturer Quality Culvert will locate a new production facility in Greensville, utilizing available rail to bring raw materials to their site.

Mecklenburg/South Hill/Lacrosse

- High-speed broadband internet is available at all industrial parks within the Zone and at some contiguous sites.

Newport News

- Canon, Inc. will invest more than \$600 million in its Newport News Plant to build a new 700,000 SF facility. More than 1,000 new jobs will be created.
- Muhlbauer High Tech International will create 40 new jobs and has invested \$4 million in a new high-tech plant. This company is the world's largest producer of machinery designed to make smart cards.

Patrick County/Town of Stuart

- Aerial Machine and Tool had two expansions and created 75 new jobs.
- Primland Resort & Lodge has a \$24,000,000 investment under construction and will create 45 new jobs.

Prince George County

- Joint Logistics Managers, Inc expanded their Prince George facility in 2008. The company specializes in acquisition, design, development, movement, sustainment, and training of automated logistics support systems.
- Rolls-Royce is investing \$100 million to establish an assembly and test facility for its civil and aerospace operations in Prince George and will build a state-of-the-art aero engine facility in Prince George County.

Richmond/Henrico Zones

- Handcraft Services opened its headquarters and dry cleaning facility in South Richmond making a \$10 million investment.
- Virginia Biotech Park is still reaching its maximum development potential. The project totals \$525 million of investment and will create roughly 1200 new full-time jobs.
- The Shops at White Oak Village was completed in 2008 and is a lifestyle center located within the Enterprise Zone. The site is 136 acres and was constructed with \$150 million of capital investment.

Roanoke

- Boxley Materials Company constructed a new facility to house sales, administrative office, and warehouse space with total investment at \$1 million. The company received Green Star certification for their concrete plant. The Green-Star program recognizes Ready Mixed Concrete companies that maintain Environmental Management Systems to aid in reducing, if not eliminating, negative environmental impacts resulting from operations. Boxley Materials Company is the only company in Virginia and the 12th in the nation to receive the award.

Staunton

- The former Robert E. Lee High School in Staunton is now being redevelopment as Gypsy Hill Place. This development is a mixed-use project for senior housing, a new senior center, and a new performing arts center. The project involves the redevelopment of a historic site, and as such the project developers will also be able to use state and federal tax credits.

Suffolk

- The Ladderberg Building is an 11,000 SF retail facility that received \$500,000 in restorations.
- The Bank of the Commonwealth opened a new 20,000 SF branch at a cost of \$3 million.

Waynesboro

- DuPont Community Credit Union completed the reconstruction of their Riverside office location with \$750,000 in qualified investments.

APPENDIX B: SUMMARY OF STATE INCENTIVE USAGE BY ZONE 2004-2008

		2008	2007	2006	2005	2004	Designation	Expiration
26	Accomack County							
	Northampton County	15	7	16	20	34	1995	2014
20	City of Alexandria	0	0	0	0	1	1994	2013
53	Alleghany County							
	Town of Clifton Forge							
	City of Covington	2	1	0	1	4	2001	2020
12	City of Bedford*	5	3	1	1	0	2005	2014
32	Brunswick County							
	Town of Lawrenceville	2	0	0	0	1	1996	2015
27	Carroll County							
	Town of Hillsville	0	1	1	2	1	1995	2014
48	Charlotte County							
	Lunenburg County							
	Prince Edward County	5	9	16	11	3	2000	2019
21	Chesterfield County (Jefferson Davis)	8	7	8	9	19	1994	2013
33	Chesterfield County (Walthall)	9	4	13	9	9	1996	2015
1	City of Danville	17	18	22	20	16	2004	2023
49	Dickenson County							
	Town of Clintwood							
	Town of Haysi	0	0	0	1	0	2000	2019
47	Dinwiddie County							
	City of Petersburg	2	1	1	2	2	1998	2017
13	City of Galax*	3	N/A	N/A	N/A	N/A	2008	2017
34	Greensville County	1	1	0	0	0	1996	2015
15	Halifax County*							
	Town of South Boston*	9	N/A	N/A	N/A	N/A	2008	2017
8	City of Hampton (Urban)*	22	20	11	16	N/A	2005	2014
35	City of Hampton (Hampton Roads)	11	16	13	22	36	1985	2015
36	Henry County							
	City of Martinsville	11	11	12	10	12	1996	2015
54	Henry County							
	City of Martinsville	6	0	0	0	2	2001	2020
9	City of Hopewell*	1	1	0	2	N/A	2005	2014
37	James City County	0	5	4	4	1	1996	2015
7	Lee County*	0	0	0	0	N/A	2005	2014

		2008	2007	2006	2005	2004	Designation	Expiration
55	Lunenburg County							
	Town of Kenbridge							
	Town of Victoria	0	0	2	2	2	2001	2020
2	City of Lynchburg (Downtown 1)	28	18	16	18	17	2004	2023
46	City of Lynchburg (Lynchpin)	2	3	6	3	1	1996	2015
38	Mecklenburg County							
	Town of South Hill							
	Town of LaCrosse	3	3	2	2	2	1996	2015
56	Mecklenburg County							
	Town of Clarksville	0	1	1	1	0	2001	2020
24	Town of Narrows	0	0	0	0	3	1994	2013
30	Newport News (Mid-City)	7	10	12	9	9	1995	2014
31	Newport News (North)	9	4	7	5	5	1995	2014
3	Newport News (South)	11	5	7	9	16	2004	2023
4	City of Norfolk							
	City of Portsmouth	37	47	43	54	66	1984	2009
50	(Northern Neck)							
	Lancaster County							
	Northumberland County							
	Richmond County							
	Westmoreland County							
	Town of Kilmarnock	2	9	5	5	6	2000	2019
39	Town of Orange	3	2	0	0	0	1996	2015
22	Patrick County							
	Town of Stuart	4	1	2	9	5	2002	2021
10	City of Petersburg*	7	7	8	6	N/A	2005	2014
57	Pittsylvania County							
	City of Danville	7	13	9	7	8	2001	2020
16	Prince George County	5	8	12	10	9	1990	2009
40	Pulaski County (New River Zone)	3	3	2	1	1	1996	2015
25	Pulaski County (Zone 1)	5	3	3	1	4	1994	2013
41	Town of Pulaski	2	3	0	0	0	1996	2015
29	City of Richmond (East)	10	5	11	16	15	1995	2014
28	City of Richmond (North)							
	Henrico County	67	55	44	46	50	1995	2014
19	City of Richmond (South)	19	12	22	19	27	1993	2012

		2008	2007	2006	2005	2004	Designation	Expiration
5	City of Roanoke (Zone 1)	17	22	17	6	5	2004	2023
42	City of Roanoke (Zone 2)	6	2	3	5	7	1996	2015
23	Town of Rocky Mount	3	7	4	7	5	1994	2013
6	Smyth County	0	1	2	0	0	2000	2019
	Town of Saltville							
43	Scott County	0	0	1	1	2	1996	2015
51	Smyth County	6	9	6	6	6	2000	2019
	Washington County							
	Town of Chilhowie							
	Town of Glade Spring							
17	City of Staunton	14	13	9	8	7	1990	2009
18	City of Suffolk	15	11	24	23	26	1990	2009
44	Tazewell County	1	1	1	2	0	1996	2015
45	Warren County	1	1	0	1	2	1996	2015
14	City of Waynesboro*	4	N/A	N/A	N/A	N/A	2008	2017
52	Wise County*	0	N/A	N/A	N/A	N/A	2008	2017
11	Wythe County*	2	5	1	1	N/A	2005	2014
	Carroll County*							

* Denotes designation since 2005 legislative changes

APPENDIX C: LOCAL INCENTIVES IN ENTERPRISE ZONES, 2008

Locality	Zone #	Incentives
Cities		
Alexandria	20	<p>Accelerated development processing. Small business financing. Marketing assistance. Business assistance (in obtaining financing and ID lease or purchase space for expansion). Technical assistance. Capital Improvements (street beautification, installation of street benches and street signs, under grounding of overhead utilities). Removal of blight (remove blight, unsanitary and dangerous housing conditions within EZ). Availability of home rehabilitation loans (enables low income homeowners to correct code violations and structural deficiencies in their homes). Targeted employment training/placement services (address EZ businesses employment and training needs). Crime prevention and security audits.</p>
Bedford City	12	<p>Waiver of zoning and sign permit fees. Accelerated development processing for businesses and industries within zone. 5-year rehabilitated real estate tax exemption. Utility service improvements and reduction of availability/connection fees. 5-year business, occupational, license (BPOL) fee rebates. Right now sites and shell building programs. Main street design services, technical assistance, and matching façade grant. Local personal liaison to act as resource coordinator/clearinghouse for City planning, zoning and permitting, SBDC, etc.</p>
Danville	1	<p>Exemption from City permit fees (plumbing, building, sign, driveway connection, electrical, erosion, and sediment control permits). Discount on purchase price of site(s). Reimbursement of water and sewer connection fees. Real estate tax program for substantially rehabilitated residential, multi-family commercial, industrial, multi-family structures. One year match with state job creation grant. 50% grant of machinery and tools tax grant. 50% Partial Refund of business & professional license fee. Economic & community development fund (UDAG Repayment Funds) used to fund various development programs within zone. Historic building loan fund (below market rate financing to property owners/ tenants of historic structure within zones). Architectural assistance program. Façade program (financial assistance for restoration of building facades within area). Housing assistance programs. Main Street/Craghead Streetscape improvements (trees, lighting, signs, etc.). Main Street program. Regional Center for Applied Technology (10% discount on tuition fees for programs). State and federal Historic Tax Credits. Crossings at the Dan (large multi-phase rehabilitation project). Long Mill Project (additional promotion and revitalization efforts). North Main Commercial Revitalization Project.</p>
Danville	57	<p>Reimbursement of water & sewer connection fees. Exemptions from City permit fees. Discount on purchase price of site(s). Job creation grant. Machinery and tools tax rebate. Businesses and professional license fee rebate. Shell building program (both zones). Dan River Business Development Center (Incubator). Regional Center for Applied Technology and Training (EZ businesses employee tuition discount).</p>
Galax	13	<p>Real estate tax abatement on rehabilitated commercial or industrial real estate. Waivers of permit fees for building, zoning and sign permit fees.</p>

		Waiver of cost associated with connection of new businesses to water and sewer lines. BPOL tax abatement for jobs creation.
Hampton (Zone 1)	8	Real property rehabilitation tax credit. EZ businesses loan program. Downtown Hampton and Phoebus Loan Assistance. Phoebus Rehabilitation Loan Program. 5-year business license tax refund. 5-year refund of local utility taxes. 3-year capital investment grant. Coliseum central security improvement grant program. Coliseum central cooperative advertising grant program (Limited to Coliseum Central Business District). Coliseum physical improvement grant program. Redevelopment cost write down. Retail revitalization program.
Hampton (Zone 2)	35	Enterprise zone loan program. Defense conversion assistance/technology transfer. Hampton small business incubator. Design assistance for firms to minimize costs of site plan and landscape plan development. Infrastructure improvements (to facilitate the use of underdeveloped properties). Employment training. Marketing within Hampton Roads center EZ.
Hopewell	9	Waivers of City permit fees. Waiver of land development fees (rezoning, zoning ordinance, subdivision, site plan, land disturbance review fees). 5-year commercial rehabilitation real estate tax exemption. Waiver of sewer tap connection fee. Accelerated development processing. Exemption/reduction of business and professional occupational license fees (BPOL)--new firms. Exemption/reduction of business and professional occupational license fees (BPOL)--existing firms. Public infrastructure enhancement (streetscape improvements to downtown). Crime prevention and security risk assessments. Fire safety education seminars. Public facility enhancement (construction of new headquarter library).
Lynchburg (Zone 1)	2	5-/10-year exemption of real estate taxes for qualified rehabilitated residential, commercial, and industrial real estate. Land acquisition program. Availability charge for sewer and water service. 5-year machinery and tools grant. 5-year business license fund. Loan pool program. Utility line improvements. Industrial training programs.
Lynchburg (Zone 2)	46	Extended payment of sewer and water availability fees. 5-year decreasing refund of classified business and professional license fees. 5-year decreasing refund on machinery and tools tax. Enterprise Zone Loan Pool. Negotiable Incentive contracts for large zone investments.
Martinsville	36	Real Estate tax refund for new investments for commercial and industrial projects. Building permit fee waiver. Water and sewer regulations waived for multiple service on one meter. Machinery and tools tax refund. Low cost loan program. VA Main Street Program. Marketing, advertising, and promotional program. Enterprise zone workshop. Landfill tipping fee refund.
Martinsville	54	Real estate tax refund. Water and sewer regulations waived for multiple service on 1 meter.

		<p>Building permit fee waiver. Machinery & tools and business equipment tax refund. Landfill tipping fee refund.</p>
Newport News (Zone 1: South)	3	<p>Expansion/re-location cost reduction (land price discount, site work cost contribution, building cost contribution, job creation credit, etc.). Commercial rehabilitation: 5-year real estate property tax abatement. Abatement of business license fee. Refund of local utility taxes. Targeted financing programs (low-interest loans and TA). Blight removal/physical beautification. Crime reduction program. Redevelopment cost write-down. HUB zone application assistance. Southeast community revitalization strategy.</p>
Newport News (Zone 2: Middle)	30	<p>Expansion/re-location cost reduction. Commercial rehabilitation property tax abatement. Waiver of building permit and development fees. Business license fee abatement. Local utility tax refund. Visual improvements program (improve visual appearance of commercial areas within EZ). Improved parking access--Hilton village and River Mont commercial districts. Title 36 District: City seek designation of a Title 36 District CPA Pool (to EZ businesses).</p>
Newport News (Zone 3: North)	31	<p>Expansion/re-location cost reduction. Business license fee abatement. Local utility tax refund. Funding and construction of industrial infrastructure improvements (streets and extension of water, sewer, etc.).</p>
Petersburg	10	<p>Waivers of building permit fees, zoning filing fees, and land disturbing fees. Real estate rehabilitation tax exemption plus. Waiver of water and sewer permit fee. Reduction of tap fee for water and sewer connections. Discount on purchase price of city-owned sites. Local EZ development fund (grants for developers' large reconstruction projects in zone). Façade improvement grant. Architectural assistance grant. 5-year machinery and tool tax reduction (50%). Federal historic district expansion.</p>
Petersburg	47	<p>Exemption from building permit fees, zoning, filing fees, land disturbing permit fees. Exemption from water and sewer privilege connection fees. Extension of water and sewer lines. 5-year exemption on BPOL tax. Establishment of local enterprise zone development fund. Zone infrastructure improvements (bridge construction to eliminate at-grade rail crossing).</p>
Richmond (South)	19	<p>Development fee rebate. 15-year real estate tax abatement. Machinery and tools grant. Business enterprise zone loan (BEZL)--small business short and long-term financing. Public loan financing fee rebate. Employment assistance grant. Business relocation grant.</p>
Richmond (North)	28	<p>Development fee rebate (permits associated with renovation/ construction of commercial facilities). 15-year real estate tax abatement. Public loan financing fee rebate. Machinery and tools tax grant. Business enterprise zone loan. Employment assistance and Business relocation grant</p>

Richmond (East)	29	Development fee rebate (permits for renovation or construction). (East) 15 year real estate tax abatement. Machinery and tools grant. Public loan financing fee rebate. Business enterprise zone loan (BEZL)--small business short and long-term financing. Employment assistance grant. Business relocation grant.
Roanoke (Zone 1)	5	Grant for fees for new construction & rehabilitation of existing buildings. Partial real estate tax exemption. Development fee rebates. Façade rebate grants to IDA of City of Roanoke for renovations Neighborhood and parks grant. Business security grant (for businesses to enact security measures). Job training grants. Fire suppression retro-fit grant and fire hookup rebate.
Roanoke (Zone 2)	42	Rehabilitation of existing structures tax abatement. (Zone 2) Building permit fees and comprehensive development plan reviews fee rebate for new building construction and the rehabilitation of existing buildings. Job training grants. City rebates of water, fire, and sewer hookup fees for new building and construction. Water and sewer line extensions. Fire suppression retro-fit grant and fire hookup rebate. Parking lot and landscaping grant. Mini-grants for education classes. Street lights. Neighborhood sidewalks and curbs. Neighborhood organizations mini-grants. Central heating for 5 housing units. Residential home rehabilitation and sewer hook ups for specific properties.
Suffolk	18	Exemption from local real estate tax. First year 50% reduction of building permit fees. 5-year Reduction of machinery and tool tax. 5-year Reduction of local utility tax. 5-year Reduction of local business, professional, and occupational license (BPOL) tax. City funding for Streetscape Improvement Plan. Quarterly trash and litter clean-up campaigns. Crime prevention assistance and free industrial security audits. Flexible public transit operations (to accommodate employees and customers). City improvement of public parking directional signage. Incorporation of EZ in City's Economic Development marketing material. Consideration of extension of 3-year CBD special taxing district. Encouragement of state to construct Route 58 southern bypass.
Staunton	17	5-year deferral of increased assessed property value. Permit fee waivers (building and renovation, plumbing, electrical, mechanical, sign, special use, rezoning, and water and sewer connection fees). 5-year business grant. 5-year 50% grant on machinery and tools tax. 5-year Business grant with job creation emphasis. Award programs for business owners. Provision of free horticulture advice to businesses. Sponsorship of seminars for zone businesses (business finance, adaptive reuse, etc.). Professional job recruitment committee. Assistance to businesses in determining training needs. Development of long-term low interest loan pool for physical improvements. Implement landscaping and beautification program for publicly-owned land. Implementation of coordinated crime prevention program within zone. Zoning modifications to compliment industrial, commercial, and residential areas. Initiate outreach effort to inform businesses of Shenandoah Valley Private Industry Council.
Waynesboro	14	Partial property tax exemption. Landscaping, sidewalk and facade grants.

		<p>Job creation grants. Customized incentive grants for manufacturing expansions / locations. Free and confidential business counseling. Commitment to fund targeted EZ infrastructure and development projects. Implementation of adopted downtown plan. Maintaining total commitment to construction funding and scheduling of all capital improvement projects. Establish a community watch program, including crime analysis. Provide employment and training services directly through community college. Establish EZ marketing and promotion program. Undertake signalization and directional sign improvements.</p>
Counties		
Brunswick County	32	<p>Fast-track permitting. Waiver of building permits for business renovation and rehabilitation. Waiver of building permits for new business construction. Waiver of building permit fees for newly constructed residential property. Discount on site purchase costs. Waiver of water and sewer connection fees. Waiver of real estate taxes for existing business renovation/expansion. Waiver of real estate taxes for rehabilitation of vacant structures. Waiver of real estate taxes for residential rehabilitation/renovation. Waiver of real estate taxes on new business construction. Waiver of real estate taxes for businesses locating in Brunswick County Industrial Park. Machine and tool tax waiver for new business or industry. Machine and tool tax waiver for industrial park businesses. Local assistance/coordination with local banking. Low or no interest fixed asset loan.</p>
Chesterfield (Zone 1)	21	<p>5-year real estate rebate on improvements to structure (at least 15 years old) with improvements leading to at least 15% increase in value. County incur some costs of connecting commercial and industrial businesses to public water and wastewater systems. 5-year, 100% exemption of machinery and tool tax. 5-year exemption of business, professional and occupational license fees. Business tangible personal property tax incentive. Develop a business loan program. Initiate public improvement projects that provide physical evidence of revitalization effort. Provide housing rehabilitation loans and grants as part of comprehensive housing and neighborhood revitalization strategy. Develop a marketing, public relation strategy for zone. Fund Revitalization Coordinator position. Undertake an incubator/marketing study for the area. Implementation of Jefferson Davis Corridor Plan. Proactive code enforcement issues.</p>
Chesterfield (Zone 2)	33	<p>5-year 100% tax credit on increased assessed real property value from rehabilitation work. County incur some costs of connecting commercial and industrial businesses to public water and wastewater systems. County incur cost of site plan review fees, land disturbance permit fees, sign fees, and building permit fees. Business Loan Program. Business Tangible Personal Property Tax Incentive. 5-year 100% exemption of machinery and tool tax. 5-year 100% exemption of business, professional and occupational license fees. Initiate public improvement projects that provide physical evidence of revitalization efforts. Provide housing rehabilitation loans and grants as part of comprehensive housing and neighborhood revitalization strategy. Use of an incubator/marketing study. Fund Revitalization Coordinator position. Implement marketing, public relations strategy for zone.</p>

Dinwiddie County	47	<p>5-year 1 00% tax deferral on increased assessed real property.</p> <p>Shared costs of connecting commercial and industrial businesses to public water and wastewater systems.</p> <p>County covers cost of site plan review fees, land disturbance permit fees, sign fees, and building permit fees.</p> <p>5-year 1 00% exemption of business, professional occupational license fees (BPOL).</p> <p>7-year grant based on value of business's certified recycling equipment.</p> <p>Proactive code enforcement issues (to enhance area's economic viability).</p>
Greensville	34	<p>Waiver rebate of building permit and zoning fees.</p> <p>Utility service improvements for industry or commercial establishment.</p> <p>Land buy down.</p> <p>Real estate and machinery and tools tax rebate.</p> <p>Rebate of business and professional occupational license.</p> <p>Waiver of water and sewer tap fees.</p> <p>Rehabilitated HUD Section 8 standard or home ownership opportunities for LMI families.</p> <p>Home ownership opportunities.</p> <p>Adult education and employee training.</p> <p>Transportation improvements for EZ business.</p> <p>Enhanced code enforcement.</p> <p>Real estate sales commission policy.</p>
Halifax	15	<p>Real estate discounts on publicly owned lands sold in the enterprise zone.</p> <p>Real Property Improvement Grants.</p> <p>Waivers of business & professional license fees.</p> <p>Hospitality stimulus grant.</p> <p>Partial exemption if building permit fees.</p> <p>Litter clean up campaigns.</p> <p>Employment training programs.</p> <p>Crime prevention programs.</p> <p>Enterprise Zone workshop.</p> <p>EZ advertising and promotion.</p> <p>Provision of labor pool information.</p>
Henrico	28	<p>Accelerated development processing.</p> <p>7-year rehabilitation real estate tax exemption.</p> <p>Commercial/industrial rehabilitation grant.</p> <p>Plan review and permit fee waivers.</p> <p>Architectural assistance program.</p> <p>Off-site improvement grants (off-site drainage, water and sewer improvements).</p> <p>Fire safety seminars for businesses.</p> <p>Crime prevention through environmental design.</p> <p>Employment and training assistance.</p> <p>Commercial revitalization staff.</p> <p>Training seminars for EZ businesses.</p>
Henry	36	<p>Real estate tax refund for new investments for commercial and industrial projects.</p> <p>Fees waived for water and sewer connections.</p> <p>Building permit fee waiver.</p> <p>Machinery and tools tax refund.</p> <p>Business furniture, fixtures, and equipment tax grant/refund.</p> <p>Marketing, advertising, and promotional program.</p> <p>Enterprise zone workshop.</p>
Henry	54	<p>Fees waived for water and sewer connections.</p> <p>Building permit fee waived.</p> <p>Real estate tax refund for new investments for commercial and industrial projects.</p> <p>Business furniture, fixtures, and equipment tax grant/refund.</p> <p>Machinery and tools tax refund.</p>
James City	37	<p>Industrial Development Authority (IDA) grant based on assessed value of improvements.</p> <p>Permit fee waivers for site plans, subdivisions, erosion, sediment controls, land disturbing, building, electrical, plumbing, and HVAC.</p> <p>5-year 50% reduction in sewer transmission fees.</p> <p>Permission to use water from permitted wells for businesses in EZ.</p> <p>Fee waivers for Industrial Development Authority Administration fees.</p> <p>5-year 100% Waiver of consumer utility tax.</p>

		<p>2 -year property tax rebate per zone resident (\$400) and county resident (\$200) employees.</p> <p>Renovation of Grove Neighborhood Park.</p> <p>Employee training and education.</p> <p>Assistance (publicizing of job opportunities and application support) in ID local residents who meet State's criteria of low income.</p> <p>Development of marketing plan for EZ by county.</p> <p>Formation of Local Enterprise Zone Association.</p> <p>Development of James River Commerce Center.</p> <p>Grant for establishment/enhancement of day-care/pre-school facilities in zone.</p>
Lee	7	<p>Real estate tax performance grant (based on job creation and wage rate).</p> <p>Building permits fee waivers.</p> <p>Reduction in per-acre land price.</p> <p>Machinery and tool tax performance grant.</p> <p>Building construction direct loan.</p> <p>Prepared building sites.</p>
Mecklenburg	38	<p>Industrial real estate discount (Airport Industrial Park and Interstate Park).</p> <p>Waivers of building permit fees.</p> <p>Local assistance/coordination with local banking.</p> <p>Economic stimulus grant (based on machinery and tools tax) and Job Grant Advertising and promotion to zone (on federal and state agencies involved in economic development).</p>
Mecklenburg	56	<p>Industrial real estate discount (50%).</p> <p>Waivers of building permit fees.</p> <p>4-year Economic stimulus grant (based on machinery & tools tax paid).</p> <p>Job grant for each full-time permanent job created.</p> <p>Advertising and promotion.</p>
Patrick	22	<p>3-year real estate rehabilitation tax waiver and Building permit waiver</p> <p>Accelerated local permitting. Below market value sale of IDA land.</p> <p>Extension of water and sewer utilities through eastern section of Joint Zone along U.S. Route 58.</p> <p>3-year machine and tool tax waiver.</p> <p>Employment training and educational attainment assistance (Specific to business)</p> <p>Transfer station tipping fee reduction.</p> <p>Rich Creek Corporate Park Development Initiative.</p>
Pittsylvania	57	<p>Discount of sites.</p> <p>Water and sewer connection reimbursement.</p> <p>Building permit fee waiver.</p> <p>Partial rebate of machinery and tool tax.</p> <p>Job creation grant.</p> <p>Local sales tax refund.</p> <p>Pittsylvania County Chamber of Commerce membership.</p>
Prince Edward	48	<p>Site purchase discounts.</p> <p>Real estate tax investment grant.</p> <p>Fast-track permitting.</p> <p>Waivers of county building permit fees.</p> <p>Machinery and tools investment grant.</p> <p>Business development.</p> <p>Training assistance (labor pool info, crime and fire prevention education, marketing assistance, business development services, and business security audits).</p>
Prince George	16	<p>Water and sewer connection fee waiver.</p> <p>5-year economic stimulus grant.</p> <p>5-year rebate on business and occupational tax.</p> <p>Marketing assistance for property owners within zone.</p>
Pulaski (Zone 1)	25	<p>Expedited permitting procedures (subdivision, zoning, and erosion control).</p> <p>Financing of 250 acres of publicly owned land and \$2,000 per job credit.</p> <p>Rebate of water and sewer hook-up fees.</p> <p>Off-balance sheet financing (for building and equipment costs).</p> <p>Construction of shell buildings.</p> <p>Reduced water and sewer charges for use of over 1,000,000 gallons per month.</p> <p>Issuance of industrial revenue bonds.</p>
Pulaski (Zone 2)	40	<p>Rebate of water and sewer hook-up fees.</p> <p>(Zone 2) Expedited permitting procedures.</p>

		<p>10-year rebate of 1/2 of real property and machinery and tools taxes (based on employment increase 50+ persons).</p> <p>Reduced water and sewer charges for use of over 1,000,000 gallons per month.</p> <p>Off-balance sheet financing (for building and equipment costs).</p> <p>Issuance of industrial revenue bonds.</p> <p>Seek foreign trade zone designation.</p> <p>Local U.S. Customs office.</p>
Scott	43	<p>Real estate tax exemption (based on average wage of employees).</p> <p>Building permit fee waiver.</p> <p>Reduction in asking price on a per acre basis of industrial real estate for basic employment firms.</p> <p>Machinery tool tax exemption (based on average wage of employees).</p> <p>Customized training along with regular courses for study.</p> <p>Inclusion of any release-time or monies spent on education/training in average wage rate of successful participants.</p> <p>Waiver for all installation charges for Mountain.Net (internet access) for EZ businesses.</p> <p>Organization of any Industrial leagues or positive outlets for stress management.</p>
Smyth	6	Building permit fee waiver.
Smyth	51	<p>Building permit fee waiver for industrial and commercial buildings</p> <p>9-year real estate rehabilitation tax exemption.</p> <p>3-year economic stimulus grant.</p> <p>Targeted technical assistance for apparel companies.</p>
Tazewell	44	<p>3-year annual industrial development grant based on County real estate tax for new/expanding EZ businesses.</p> <p>3-year rehabilitated real estate partial tax exemption for new/expanding EZ businesses.</p> <p>3-year annual industrial development grant based on County machinery and tool tax for new/expanding EZ businesses.</p>
Warren	45	<p>5-year real estate tax exemption.</p> <p>50% reductions on building permit fee and planning and zoning fees.</p> <p>Accelerated review and approval process.</p> <p>5-year business and occupational license fees exemption.</p> <p>5-year machinery and tool tax exemption.</p> <p>Technical assistance to businesses for financing applications.</p> <p>Labor pool information provided to qualified business firms.</p>
Washington	51	<p>Building permit and rezoning fee waiver.</p> <p>9-year real estate rehabilitation tax exemption.</p> <p>Reduction in purchase price of IDA Land.</p> <p>Waiver of application fees for industrial revenue bond financing.</p>
Wise	52	<p>5-year real estate tax exemption.</p> <p>5-year machinery and tool tax grant.</p> <p>Reduction in per-acre land cost tied to job creation.</p> <p>IDA discounted land.</p>
Wythe	11	<p>Discounted price per acre in Progress Park.</p> <p>Rebate of wastewater connection fees.</p> <p>Rebate of water connection fees.</p> <p>Waivers of building permit fees.</p> <p>Fast track permitting.</p> <p>Reduction of water usage rates.</p> <p>Reduction of wastewater usage rates.</p> <p>Joint IDA revolving loan fund interest rate reduction.</p>
Towns		
Chilhowie	51	<p>Water and sewer fee credits for new/expanding businesses.</p> <p>Water and sewer hook-up fee waivers for new businesses.</p> <p>9-year real estate rehabilitation tax exemption.</p> <p>Business, professional and occupational license tax credit for businesses creating new jobs in zone.</p>
Clarksville	56	<p>Industrial real estate discount.</p> <p>Waiver of zoning permit fees.</p> <p>Waiver of water/sewer connection fees.</p> <p>6-year economic stimulus grant.</p>

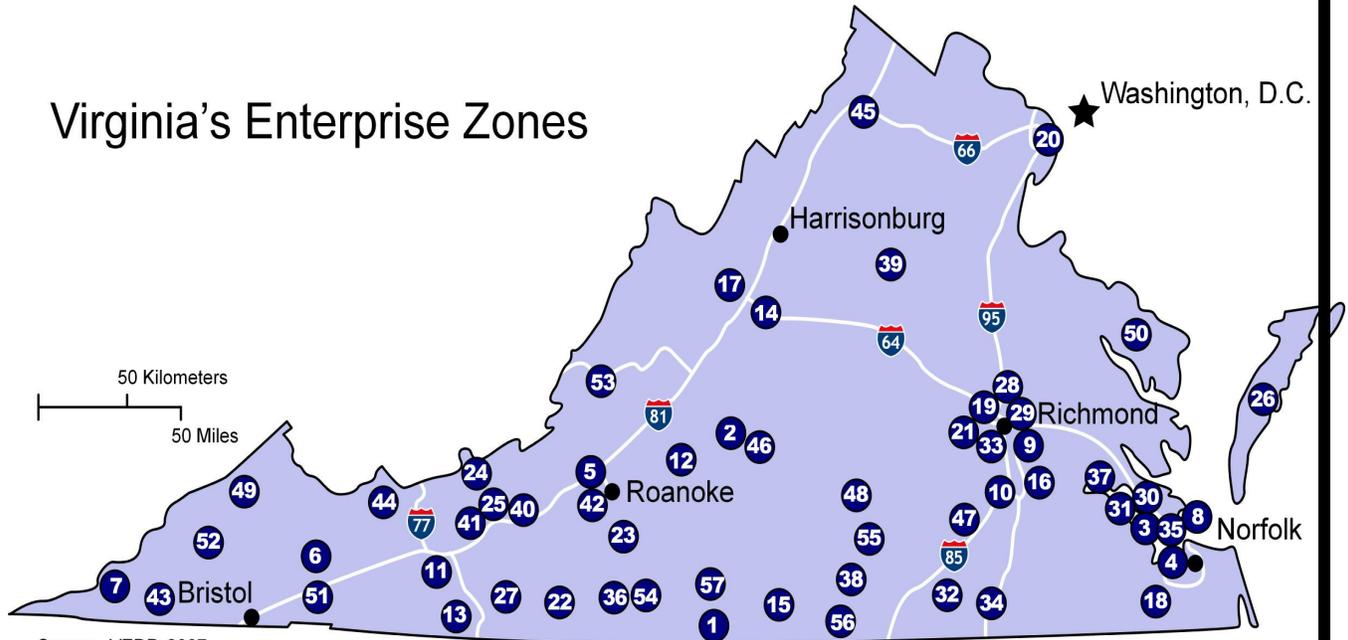
		<p>Job grant for each full-time permanent job created. 4-year central business district stimulus grant. Local assistance/coordination with local banks for industrial parks prospects (through Lake Country Development Corporation). Central business district tax assessment relief.</p>
Farmville	48	<p>25% or \$1,000 waiver for water and sewer availability. 5-year real estate tax investment credit. Accelerated development review process. Reimbursement (up to \$1,000) for architectural design fees for downtown façade improvements. Waiver of land disturbance/soil and erosion permit fees.</p>
Glade Spring	51	<p>9-year real estate rehabilitation tax exemption. Business, professional and occupational license tax credit for businesses creating new jobs in zone.</p>
LaCrosse	38	<p>Waiver of water and sewer connection fees. Waivers of building permit fees. Economic stimulus grant. Jobs grant. Reduced water and sewer charge. 3-year business license tax.</p>
Lawrenceville	32	<p>Fast-track permitting. Waiver of real estate taxes for existing business renovation/expansion. Waiver of real estate taxes for rehabilitation of vacant structure. Waiver of real estate taxes for residential rehabilitation/renovation. Waiver of real estate tax on new business construction. Waiver of business, professional, and occupation licensing tax.</p>
Narrows	24	<p>Waivers of building permit fees. Real estate tax exemption for certain rehabilitated commercial or industrial real estate. Municipal water, sewer, and other connection fees waiver. Utility fee reduction (%age based on # of jobs created). Retail business, wholesale business, and professional occupational license tax credit. Availability and use assistance of community design guidelines for EZ businesses. Dollar match for façade and outside building improvement (per business). EZ business loan pool for financing. EZ map and brochure. Enterprise zone signage. CPA accountant pool.</p>
Orange	39	<p>Permit fee waivers (Zoning, rezoning, and sign permits). Real estate tax abatement for rehabbed structures. Accelerated development processing—fast track review services. Case by case improvements to water/sewer lines to businesses. Architectural and landscaping design assistance. Marketing assistance. Coordinate business management program. Low interest loan programs for commercial, industrial, and residential façade improvements. Matching grants for commercial façade. Housing rehab assistance through HOME. Elimination of zoning provisions restricting upper story residential development in commercial property. Targeted programs of improvements to public amenities (sidewalks, roadways, landscaping, lighting, and public signage). Crime Prevention Programs (Technical assistance with business security) Coordinated program of employee job training opportunities. Coordinate promotional program. Extended payment schedules for fees.</p>
Pulaski	41	<p>Rezoning and building permit fee waivers. Utility Improvements Support. Rehabilitated real estate tax abatement. Accelerated development assistance. Business occupation license fee rebate.</p>

		<p>Additional machinery and tools tax abatement. New machinery and tools tax abatement (50% tax exemption). New building tax abatement (50% tax credit). Business loan program (acquisition or renovation of buildings, purchasing machinery and equipment, working capital). Temporary office space. Economic development stimulus program (50% return on increase in real estate, machinery, and tools taxes over 10-year period). Architecture design assistance. Landscape design assistance. Housing and rehabilitation loan program. Housing rehabilitation tax abatement. Elderly and disabled citizen real estate tax relief. Crime prevention assistance and Fire prevention assistance. Labor pool and demographic information. Real estate market assistance (marketing booklet of available properties).</p>
Rocky Mount	23	<p>Water and sewer hook-up fees waiver. Waivers of town permit fees: building signs, special use zoning, variance rezoning. 5-year rehabilitated real estate tax exemption. 5-year personal property tax rebate on increase in assessed value. Business license rebate for existing businesses. Below market rate loans for façade renovation within zone. Below market rate loans for residential rehab within zone. Storm drainage improvements within zone. Expanding North Main Street to four lanes. Increased police protection and patrol in EZ. Special job training assistance to zone through use of educational channel and other available job training programs. Establishment of marketing strategy program to promote success of EZ. Establishment of organizations to provide private sector leadership and guidance throughout the zone. Renovation of existing train depot into welcome center and museum. Acquisition of vacant land for commercial and/or industrial development.</p>
Saltville	6	<p>5-year business, professional, and license tax credit. Downtown revitalization grant/loan (storefront improvements for downtown businesses). Tourism marketing mini-grant (for tourism-related businesses). Broadband access connection (50% reimbursement).</p>
South Boston	15	<p>Exemption from water and sewer connection fees. Exemption from real estate taxes of certain rehab properties. Exemption from all fees above minimum charge for building, electrical, plumbing, erosion, sediment control, and rezoning benefits. 5-year business license fee rebate. 5-year utility tax exemption. 1% local sales tax exemption. Enterprise Zone advisory committee. Small business advisory. Hospitality stimulus program. Interest buy-down fund. Employment training programs. Free parking for short-term shoppers. EZ brochure. EZ workshops and meetings.</p>
South Hill	38	<p>Waivers of building permit fees. Economic stimulus grant (based on machinery and tools tax). Jobs grant. Reduced water and sewer charges. 3-year business license tax.</p>
Combined Areas		
Stuart/Patrick County	22	<p>Small user water and sewer hookup fee waiver. Large user water and sewer hookup fee reduction or waiver. 3-Year real estate rehabilitation tax waiver. Waiver of deposit for water/sewer/trash pickup. Business, professional occupational license (BPOL) tax waiver.</p>

		2-Year Machine and tool tax waiver.
Accomack County / Northampton County	26	Waiver of zoning fee. Finance sewage connection fees for five years at 5% interest. Revolving loan fund. Reimbursement of machinery and tool tax. Business counseling. Technical Assistance for Crime Prevention program. Marketing plan (county promotion of participating businesses).
Charlotte County/ Lunenburg County	48	Site purchase discounts. Real estate tax rebate. Fast-track permitting. Machinery & tools tax rebate. Temporary office space. Technology assistance. Adult education. Workforce training assistance.
Alleghany County/ Covington County/ Town of Clifton Forge	53	Reduction of real estate tax. Zoning fee waiver. Building permit waiver. Reduction of machinery and tools tax. Reduction of utility consumer's tax. Reduction of business license tax. City of Covington small business loan. Virginia Main Street program technical assistance.
Danville/Pittsylvania	57	Regional Industrial Park Development (both zones).
Dickinson County/ Town of Clintwood	49	Annual industrial development grant based on amount of County real estate tax for new/expanding EZ businesses. Rehabilitated real estate partial tax exemption for new/expanding EZ businesses. Waivers of County building permit fees. Waiver of water and sewer connections fees. Annual industrial development grant based on annual amount of County machinery and tool tax for new/expanding EZ businesses. Targeted workforce training grants (priority workforce training grants to EZ businesses).
Lunenburg County/ Town of Kenbridge/ Town of Victoria	55	Reduced/waived land cost in County. Reduced/waived cost of water and sewer extensions. Waived water and sewer connection fees. 5-year Lunenburg County industrial/commercial development grant (based on real estate taxes incurred by new/expanding industry/commercial businesses). 5-year Lunenburg County industrial/commercial property tax grant (based on real estate taxes incurred by new/expanding industries). Waiver of all building permits and fast tracking permit processing. Waiver of Business license fees.
Lunenburg County/ Town of Kenbridge/ Town of Victoria (continued)	55	5-year Lunenburg County industrial/commercial equipment investment grant. Worker training and recruitment. Issuance of tax-exempt industrial revenue bonds to assist in financing projects.
Norfolk City / Portsmouth City	4	Permit fee reductions. Business license tax reduction. Business utility tax reduction.
Lancaster County/ Northumberland County/ Westmoreland County/ Kilmarnock/ Warsaw	50	Financial inducement for capital investments for new and existing businesses. Financial Inducement for job creation for new and existing businesses
Town of Saltville/ Smyth County	6	9-year real estate rehabilitation tax credit. Smyth County Water and sewer fee reduction. 5-year economic stimulus grant (based on machinery and tools taxes). Loan assistance. Training assistance (utilizing training and recruitment programs).

APPENDIX D: MAP OF ZONES

Virginia's Enterprise Zones



Source: VEDP, 2007

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|--|---|--|
| 26 Accomack/Northampton | 37 James City | 16 Prince George |
| 20 Alexandria | 50 Lancaster/Northumberland/
Richmond/Westmoreland/
Kilmarnock/Warsaw | 25 40 Pulaski |
| 53 Alleghany/Clifton Forge/
Covington | 7 Lee | 41 Town of Pulaski |
| 12 Bedford | 55 Lunenburg/Kenbridge/Victoria | 19 29 Richmond City |
| 32 Brunswick/Lawrenceville | 2 46 Lynchburg | 28 Richmond City/Henrico |
| 27 Carroll/Hillsville | 36 54 Martinsville/Henry | 5 42 Roanoke |
| 48 Charlotte/Lunenburg/
Prince Edward | 56 Mecklenburg/Clarksville | 23 Rocky Mount |
| 21 33 Chesterfield | 38 Mecklenburg/South Hill/
LaCrosse | 6 Saltville/Smyth County |
| 1 Danville | 24 Narrows | 43 Scott |
| 49 Dickenson/Clintwood/Haysi | 3 30 31 Newport News | 51 Smyth/Washington/Chilhowie/
Glade Spring |
| 47 Dinwiddie/Petersburg | 4 Norfolk/Portsmouth | 17 Staunton |
| 13 Galax | 39 Town of Orange | 18 Suffolk |
| 34 Greenville | 22 Patrick/Stuart | 44 Tazewell |
| 15 Halifax/South Boston | 10 Petersburg | 45 Warren |
| 8 35 Hampton | 57 Pittsylvania/Danville | 14 Waynesboro |
| 9 Hopewell | | 52 Wise |
| | | 11 Wythe |