GRANT YEAR 2014 ANNUAL REPORT

VIRGINIA ENTERPRISE ZONE PROGRAM

Virginia Department of Housing and Community Development

VIRGINIA DHCD

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REQUEST FOR INCENTIVES

4 applications for pre-2005 tax credits

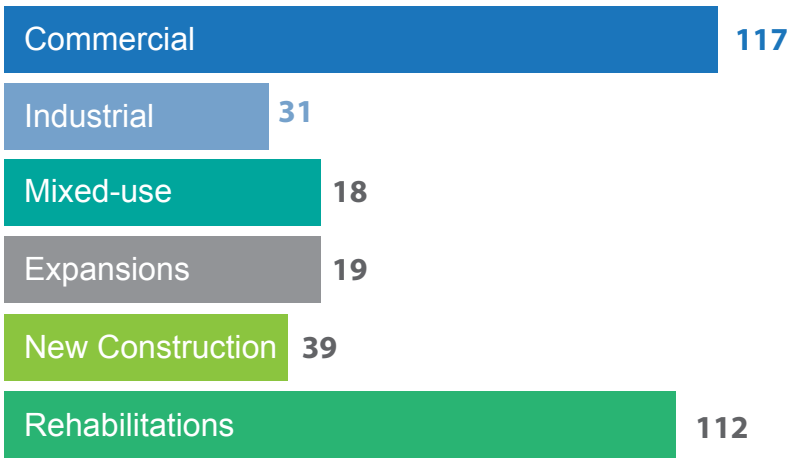
223 Enterprise Zone grants awarded

210 businesses and investors received grant incentives

REAL PROPERTY INVESTMENT GRANT

166 Zone Investors received **$9,052,275**

$245,621,324 in qualified real property investments were spent on the following properties



JOB CREATION GRANT

67 businesses received **$3,097,733**

1,321 net new full-time jobs were created

GENERAL INCOME TAX CREDIT

businesses received **$87,000**

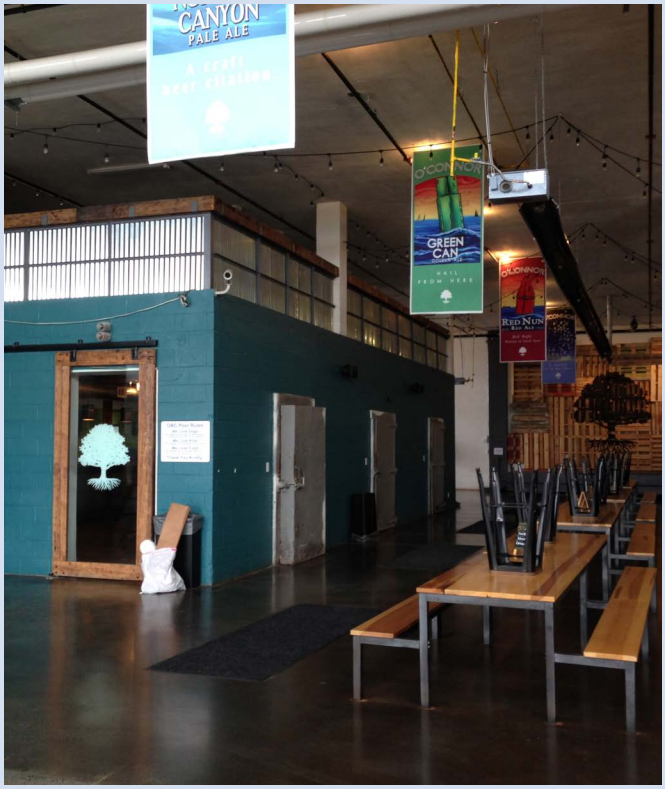
ENTERPRISE ZONE PROGRAM OVERVIEW

The Virginia Enterprise Zone (VEZ) Program is a partnership between state and local government that promotes economic development and revitalization through job creation and real property investment. When used in conjunction with other local, state, and federal programs, enterprise zones can leverage substantial private sector investment in targeted areas throughout Virginia.

The VEZ program was first established in 1982 and has undergone several amendments over the years. The most significant was in 2005 when the General Assembly passed the Enterprise Zone (EZ) Grant Act. It provided for the implementation of specific community and economic development policies: targeting zone designations to distressed localities, gradually reducing the number of zones statewide for deeper impact, and providing incentives for the creation of higher paying jobs with health benefits. The 2005 EZ Grant Act also replaced the former tax credit incentives with the Real Property Investment Grant (RPIG) and the Job Creation Grant (JCG). These grants are performance-based; firms must create jobs and/or place a real property investment into service before applying for grant awards. However, the 2005 Act allowed pre-qualified firms to continue accessing the former General Income and Investment Tax Credit incentives. The tax credit program officially sunsets in 2019, however, each year the number of firms applying for tax credits continues to decline due to the expiration of firms' 10-year qualification periods. The grant incentives are explained in greater detail below and are the focus of this report.

Real Property Investment Grant (RPIG) awards up to 20 percent of the total amount of qualified real property investments made to a building or facility, not to exceed $100,000 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 $200,000 per building or facility. For rehabilitation and expansion projects, a zone investor must spend at least $100,000 in qualified real property investments to be considered eligible for the RPIG. New construction projects require zone investors spend at least $500,000 to qualify for the grant. The 20 percent grant award is based on the amount of investment made in excess of the $100,000 and $500,000 eligibility thresholds, respectively.

In grant year 2014, the typical RPIG grantee invested in the rehabilitation of an existing commercial building that they owned and occupied. The typical RPIG grantee invested approximately $629,020 in the project and received a grant award of $60,187. Across all RPIG grantees the average investment was $1,458,625 and the average grant award



Craft brewery O'Connor Brewing Company completed a $1.75 million rehabilitation of their facility in order to upgrade the tasting rooms and expand their production capacity.

Bauer Compressors completed an $8 million expansion of their headquarters in Norfolk and invested over $5 million in new equipment. Bauer projects they will add 100 new jobs at the facility.

was $54,532. It should be noted than in Grant Year 2014 RPIG awards were pro-rated at 69.10743 cents on the dollar.

Job Creation Grant (JCG) awards up to $500 per year for each net new, permanent full-time position created above a four-position threshold. The job must pay at least 175 percent of the federal minimum wage ($12.69/hour) and offer health benefits. Positions earning at least 200 percent of the federal minimum wage ($14.50/hour) with offered health benefits are eligible for a grant of up to $800 per year for each qualified position over the threshold. Eligible firms can receive grants for up to 350 positions per year for a period of five years. Retail, food & beverage, and personal service positions are not eligible for the JCG. As of 2010, firms in High Unemployment Areas (HUAs) may qualify for the JCG at a reduced wage threshold. HUAs are localities with unemployment rates that are equal to or more than 150 percent of the state average. In such areas, the qualifying wage threshold is lowered to 150 percent of federal minimum wage ($10.88) for the $500 grant per eligible position. A list of the HUA zones for the 2014 qualification year is included in the ***Appendix E***.

In grant year 2014, the average grantees created 20 net new jobs in 2014, 84 net new jobs over their base year, and received a grant of $46,235. The typical JCG award for GY 2014 was $24,456, indicating that most awards were in the $20,000-30,000 range.

Lynchburg Humane Society invested more than $6 million towards the construction of a new facility that can house more than 300 animals a major expansion from their previous location. The Edythe Elizabeth Stauffer Center for Pets will offer adoption, education and veterinary services to the Lynchburg community.

ENTERPRISE ZONE GRANTS 2014 USAGE OVERVIEW

For the 2014 qualification year, a total of 215 businesses and zone investors qualified for Enterprise Zone incentives including Job Creation Grants, Real Property Investment Grants, and pre-2005 tax credits. Cumulatively, 213 businesses and zone investors received a total of 223 state enterprise zone grants and two applicants qualified for the pre-2005 tax credits.

Enterprise zone incentive usage since 2005 generally mirrors the conditions of the national and Virginia economy. The number of applications and total value of grant requests in grant years 2010-2013 were notably lower than grant years 2005-2009. The first five years of the program coincided with the build-up of the real estate boom. During that period, businesses were eligible for grants that far exceeded the funding allocation, leading to substantial RPIG proration. Lagging a year or so behind the onset of the Great Recession due to the program's retroactive nature, incentive usage dropped in 2010. This decline also reflects the impact of the 2009 legislation that raised the RPIG qualification thresholds to help address growing concerns about RPIG proration. Grant Year 2014 is the second time since GY 2009 that proration has been necessary (Figure 1). This indicates that the construction industry is slowly but steadily recovering.

Despite being far below the pre-recession submission levels, the number of grant applications has increased continuously over the past five years. Grant Year 2014 saw a 6 percent increase in grant applications over the previous year for a total increase of 37 percent since GY 2010. This is due to an increase in both JCG and RPIG applications; however, because RPIG applications make up such a large proportion of annual grant requests, a slight increase in construction activity will impact the total number of grant requests.

Below, Figure 1 illustrates the 10-year history of the disparity between allocations and requests for EZ grants. GY 2008 was the most substantial funding shortfall at $16,679,564, causing RPIG awards to be prorated at 46 cents per dollar. Meanwhile, 2011 was the only year reflecting a surplus, with just under $1.5 million remaining after grants were awarded. Annual RPIG proration levels for grant years 2010-2014 are illustrated in Figure 2.

Figure 1: Funding Shortfall/Surplus History

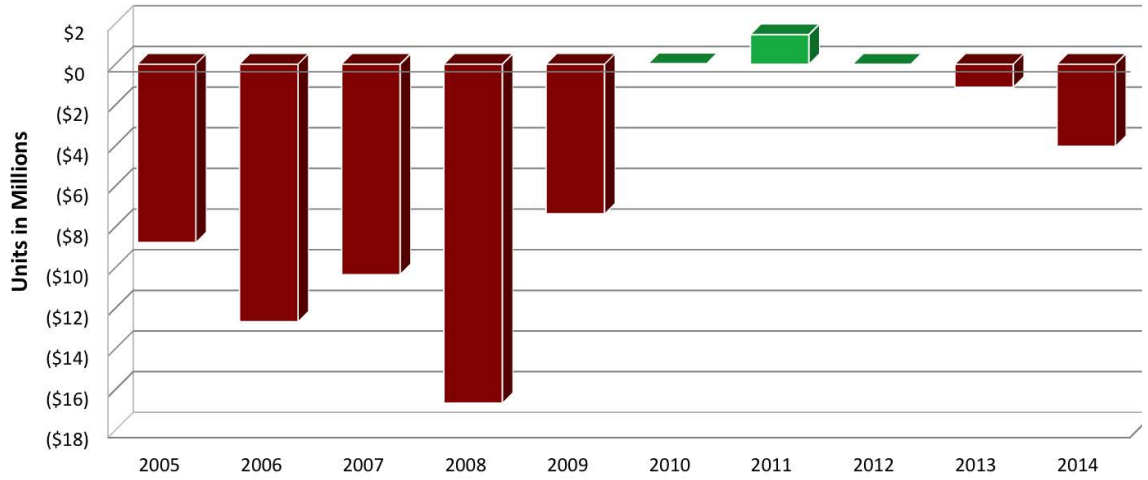


Figure 2: RPIG Proration By Grant Year 2010-2014

Year	2010	2011	2012	2013	2014
Surplus/Shortfall	$29,166	$1,456,565	$0	-$1,137,588	-$4,046,579
Appropriation	$12,150,000	$15,650,000	$14,150,000	$14,150,000	$12,150,000
Grant Requests	$12,120,834	$14,193,435	$14,150,000	$15,287,588	$16,196,579
Proration	0.0000%	0.0000%	0.0000%	90.8214%	69.1074%

2014 REAL PROPERTY INVESTMENT GRANTS

Since the inception of the grant program in 2005, the RPIG has consistently been used more heavily than the JCG. While pre-recession RPIG requests demanded a larger portion of the total grant requests at 89-94 percent (2005-2009), RPIG requests during and since the recession still represent the largest portion of grant requests at 78-81 percent (2010-2014).

There was a positive trend in GY 2014 with the total dollar amount of qualified real property investment increasing by nearly $40 million over the previous grant year. GY 2014 represented the most significant year-over-year increase in real property investment since prior to the recession in 2009. The total qualified real property investment in GY 2014 was $242,131,768, an increase from $204,030,271. While this increase is a positive indicator, investment levels still remain $258 million below the program's peak of $500 million of private investment in GY 2009. GY 2009's extraordinary investment levels can likely be attributed to the completion of pre-recession construction projects, as RPIG trends typically lag one or more years due to the performance-based nature of the grant. As such, while the GY 2014 numbers indicate that real property investment is slowly improving to pre-recession levels, the construction industry's post-recession rebound is probably more extensive than indicated in the GY 2014 applications.

Qualified Real Property Investment Ranges

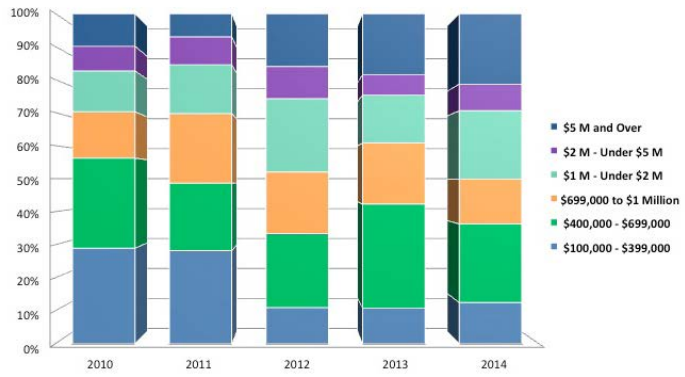
The 2014 qualification year encompassed individual investments ranging from a low of $117,766 for a tenant up-fit in Hampton, to a high of $23 million for the construction of the Courtyard by Marriott and Residence Inn by Marriott hotels in Richmond. This represents a substantial increase from GY 2013's highest individual investment of $17.6 million and GY 2012's $10.6 million. Below, Figure 3 shows the distribution of investment ranges for RPIG applicants between 2010 and 2014. Most notably, the portion of RPIG applications from projects with private investment over $1 million has increased from 30 percent in GY 2010 to 50 percent in 2014. This increase represents the resurgence of large-scale and new construction projects as the real estate industry has grown out of the recession.

Annual fluctuations and the national recession complicate the effort to predict long-term trends for RPIG applications. However, by looking at post-recession applications 2012-2014, an increase in the average investment is evident. Since the beginning of the recession, the number of projects with investments below $250,000 has decreased, while the number of applications with investments over $5 million has increased. While this does not account for the impact of inflation, few projects would fall below the $5 million level if adjusted to pre-recession values. Figure 3 below illustrates the annual breakdown of RPIG applications by level of qualified real property investment. The post-recession grant year (2012-2014) breakdowns are notably different than the recession (2010-2011) breakdowns, with the large-scale investments increasing as the economy and construction industry rebound.

Figure 3: Qualified Real Property Investment Ranges

Grant Year	2010	2011	2012	2013	2014
$100,000 - $249,000	16%	15%	3%	4%	3%
$250,000 - $399,000	13%	13%	8%	7%	9%
$400,000 - $549,000	14%	9%	11%	13%	11%
$550,000 - $699,000	13%	11%	12%	18%	13%
$700,000 - $849,000	8%	11%	12%	11%	9%
$850,000 - Under $1 M	6%	10%	7%	7%	5%
$1 M - Under $2 M	12%	15%	22%	15%	21%
$2 M - Under $5 M	7%	8%	10%	6%	8%
$5 M and Over	10%	7%	16%	19%	21%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

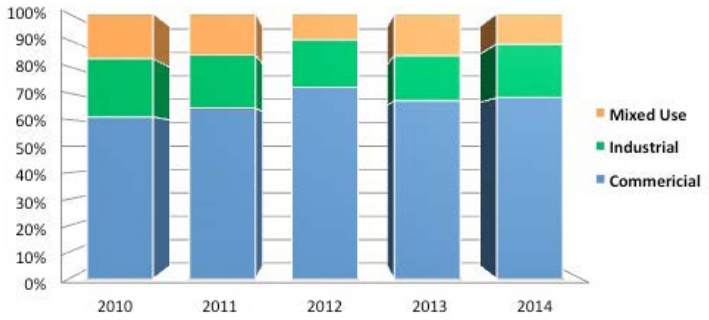
Figure 4: RPIG Investment Growth 2010-2014



The RPIG is available for investments made to commercial, industrial or mixed-use properties. Retail and office buildings are classified as commercial. As seen in Figure 5, commercial projects are consistently the largest proportion of RPIG applications, with industrial properties as the middle proportion, and mixed-use properties as the smallest proportion.

Although there were significantly more applications submitted for commercial projects (117) compared to industrial (31) and mixed-use projects (18), average grant awards were similar regardless of the uses, particularly due to the condensing effect of the proration in GY 2014. Industrial projects earned the highest average grant award of $59,136 followed by mixed-use project awards with an average of $57,847. Following the trend established by previous qualification years, the average annual award for commercial projects is the lowest of the three categories with an average grant award of $52,802.

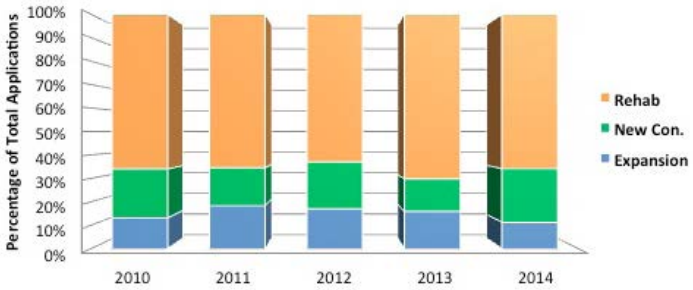
Figure 5: Application Breakdown By Property End Use 2010-2014



Applications by Construction Project Type

RPIGs are available for new construction, rehabilitation and expansion activities. Figure 6 illustrates that rehabilitation projects are the most common amongst RPIG projects. Meanwhile, new construction and expansion projects make nearly equivalent proportions of the RPIG projects. For GY 2014, rehabilitation projects accounted for a majority of RPIG applications (66 percent) and 56 percent of all RPIG funds awarded. New construction followed with 23 percent of the applications, and 30 percent of funds awarded. Expansion represented the minority of RPIG applications (11 percent) and 14 percent of awarded funds.

Figure 6: Application Breakdown by Construction Project Type 2010-2014

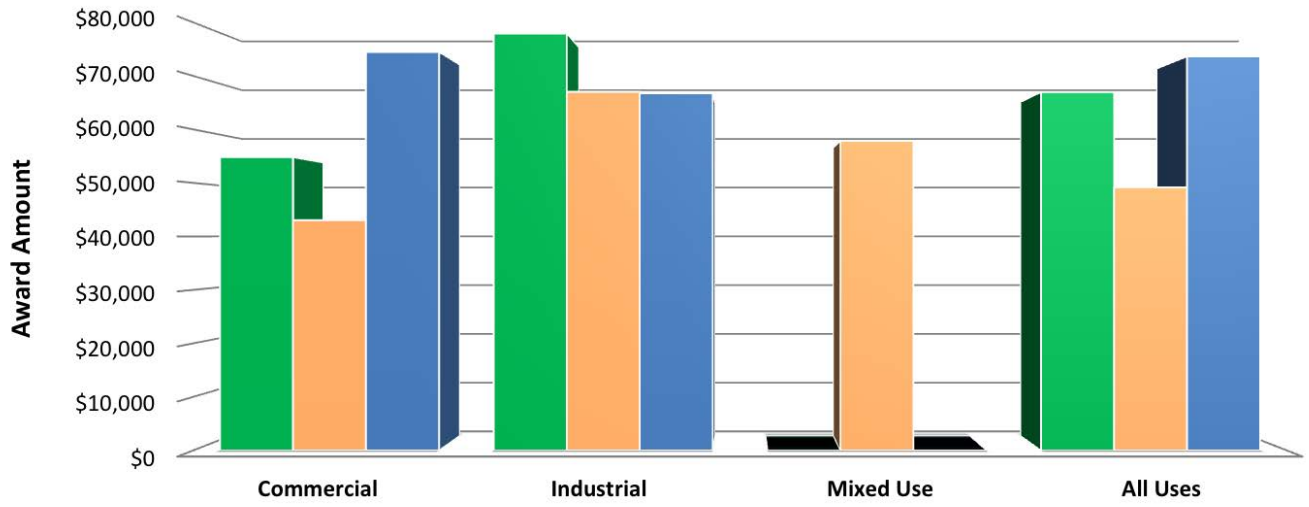


Average Award Based by Type of Investment and Use of Property

As seen in Figure 7, the type of construction project has a more significant impact on the size of the average grant award than the type of property. Across all applications, expansion projects had the highest average award of $73,612. New construction projects had an average grant award of $66,952, and rehabilitation projects had the lowest average award with $49,168. The average award for an expansion project was nearly 10 percent larger than the average grant for a rehab project. Overall, the state received fewer but larger grant requests for new construction and expansion projects (56 total), and more volume but smaller requests for rehabilitation projects (110 total).

Applications for the new construction of industrial properties received the largest average grant award of $77,887. This was followed by expansion of commercial properties with an average grant award of $74,445. As in GY 2013, all mixed-use projects submitted for GY 2014 involved the rehabilitation of existing mixed-use buildings, and no new construction or expansion projects.

Figure 7: Average Grant Award by Type and Use 2014

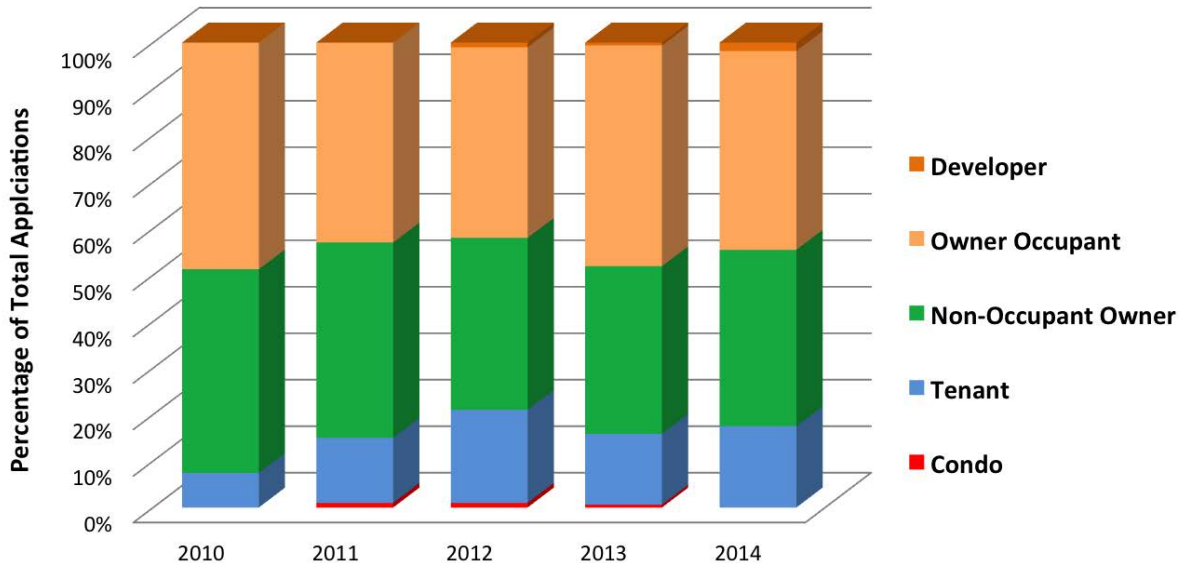


Qualified Zone Investors

Qualified zone investors may be property owners (occupant or nonoccupant), owners of space in a building (condo), tenants who have capitalized their own improvements, or developers who capitalized an investment before selling a property. Since 2010, the largest proportion of zone investors has always been owner-occupant investor, accounting for 43 percent of the RPIG applications in GY 2014. Non-occupant owners have consistently been the second most-frequent type of investors (38 percent), followed by tenants (17 percent).

During the recession and the years immediately following (GY 2011 and GY 2012), speculative building was limited and thus no RPIG applications came from developers. While developers still represent the smallest portion of zone investors at 2 percent, the receipt of RPIG applications submitted by developers indicates that more speculative building is occurring as the real estate market rebounds from the recession.

Figure 8: Applications by Investor Type 2010-2014

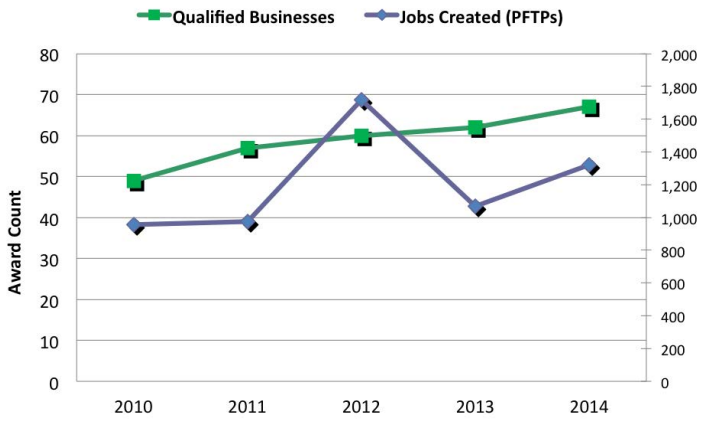


2014 JOB CREATION GRANT

The department received 67 applications for Job Creation Grants (JCG) in GY 2014, accounting for $3,097,733 in JCG awards and representing 25.5 percent of overall grant requests. Figure 8 shows that the number of JCG applications has steadily increased since 2010.

GY 2014 saw 1321 net new jobs created, which is in line with the overall five-year trend. The large jump in year-over-year job creation between GY 2012 can be attributed to two major firms that created over 525 jobs in 2012. While it is not unusual for applicants to exhibit substantial expansion throughout the 5-year cycle, such job growth by individual companies in a single year is atypical.

Figure 9: Qualified Job Creation Grant Activity 2010-2014



Payout by Wage Rates

JCG award amounts are based on wages paid to each grant eligible position. A grant award of $500 per position is available for employees earning between 175 and 199 percent of the federal minimum wage ($12.69/hour or higher). Positions earning 200 percent or more of the federal minimum wage ($14.50/hour or higher) are eligible for a grant of $800.

GY 2014 was the fourth year that localities could be classified as a High Unemployment Area (HUA). As mentioned earlier, firms located in HUAs are able to qualify for $500 per position grant at a reduced wage threshold equal to 150 percent of the federal minimum wage($10.88/hour or higher) rather than 175 percent. Of the 72 localities with enterprise zones, 33 percent (24 localities) were designated as High Unemployment Areas (HUAs). Figure 9 shows the list of 8 HUA localities that had firms qualify for the JCG, and the portion of the total grant eligible positions that qualified at the reduce wage threshold. Of all applications submitted by firms in HUA localities, 13.47 percent of grant-eligible positions qualified at the reduced threshold. Refer to Appendix E for the complete list of GY 2014 HUA zones.

Figure 10: Qualifying Firms in HUA Localities

GY 2014 HUA Localities	Qualifying Businesses	Eligible Positions at 150%	Total Eligible Positions	Percent of Eligible Positions Qualifying at 150%
Danville	4	36.7	435.59	8%
Franklin	1	2.12	10.7	20%
Halifax	4	217.66	1555.88	14%
Henry	3	75.41	416.48	18%
Hopewell	1	0	70.04	0%
Martinsville	1	39.43	49.42	80%
Petersburg	1	0	21.47	0%
Prince Edward	3	30.93	427.33	7%
Totals	**18**	**402.25**	**2986.91**	**13.47%**

Usage by Sector

Job growth by sector is tracked for grant recipients by their North American Indutry Classification System (NAICS) Code. As with the previous four qualification years, the typical JCG applicant in GY 2014 was a Manufacturing Firm (NAICS 300), representing 67 percent of all award grantees. Professional and Scientific Services (NAICS 541) represented the second largest proportion of grant recipients.

Figure 11: Qualified Firms by Industry Sector 2010-2014

Type of Business Firm	2010		2011		2012		2013		2014	
	#	%	#	%	#	%	#	%	#	%
Construction	2	4%	1	2%	1	2%	1	2%	0	0%
Health Care/Social Assistance	5	10%	3	5%	3	5%	3	5%	2	3%
Information	3	6%	2	4%	3	5%	2	3%	1	1%
Manufacturing	22	45%	30	53%	32	53%	38	61%	45	67%
Other Services	0	0%	3	5%	2	3%	0	0%	0	0%
Professional/Scientific Services	9	18%	9	16%	12	20%	8	13%	12	18%
Transport/Warehousing	1	2%	3	5%	3	5%	4	6%	2	3%
Wholesale Trade	5	10%	5	9%	2	3%	2	3%	2	3%
Admin. & Support and Waste Mgmt. & Remediation	2	4%	1	2%	2	3%	1	2%	2	3%
Utilities	0	0%	0	0%	0	0%	1	2%	1	1%
Accomodations and Food Service	0	0%	0	0%	0	0%	1	2%	0	0%
Management of Companies and Enterprises	0	0%	0	0%	0	0%	1	2%	0	0%
Total	**49**		**57**		**60**		**62**		**67**	

Manufacturing representing **67 percent** of all award grantees

LOCAL ENTERPRISE ZONES

The commonwealth's 57 enterprise zones encompass approximately 260 square miles and include boundaries in over 70 different localities. During GY 2014, 19 of the 57 are joint zones (i.e. zones composed of two or more localities), 13 localities have two Enterprise Zone designations and two localities have the statutory limit of three Enterprise Zone designations.

Five enterprise zones reached their expiration dates on December 31, 2014 at the completion of a twenty year designation. The joint zones for Accomack and Northampton counties and Carroll County-Hillsville expired, along with the city of Richmond Eastern Zone (II) and two zones in the city of Newport News (Mid-Cities and North). In addition, two zones expired on December 31, 2014 due to inactivity, including the city of Galax and the joint zone for Mecklenburg County and Clarksville.

In cases of zone expiration and termination, the available zone designations are filled through a competitive application process conducted by DHCD. DHCD held a competitive Enterprise Zone Designation process in 2014 to fill the spots vacated by these 5 expiring zones. How-to-Apply workshops for interested localities were held in March 2014 and applications were due June 30, 2014. Staff from DHCD and the Virginia Economic Development Partnership (VEDP) reviewed the submitted applications and made recommendations to the Governor to designate five new zones for January 1, 2015. These zones include joint zones in Accomack-Northampton counties and Carroll County-Grayson County- city of Galax, as well as single-jurisdiction zones in the city of Newport News, city of Bristol and Page County.

The designation of these five zones, along with the loss of city of Galax's zone brought the total number of zones designated to 25 since the passage of the 2005 Enterprise Zone Grant Act, establishing a quota of 30 new zones.

An additional fourteen zones will expire December 31, 2015, and DHCD will designate five new zones during the 2016 designation round, reaching the statutory maximum of 30 zones. Under the 2005 Enterprise Zone Grant Act, zones are designated for an initial 10-year period with the possibility for two five-year renewal periods. No zone shall be designated for more than 20 years.

In 2014, the first five zones designated under the 2005 Enterprise Zone Grant Act were renewed after their initial 10 years of designation. These zones included the city of Hampton's Urban Zone, the city of Petersburg, the city of Hopewell, Wythe County, and the town of Bedford. While the 2005 Act does not authorize towns to receive enterprise zone designations, Bedford received their enterprise zone designation in 2005 while the locality was still classified as a city. In 2013, the city of Bedford formally transitioned into a town, which then assumed administrative responsibility for Enterprise Zone #12.

Unless noted otherwise, all data used in this report is generated from the Enterprise Zone Administration Database and is based on information reported by businesses and investors on the incentive applications.

The following sections of the annual report are a series of appendices that provide the details of how our local partners are contributing to the success of the program.

- Appendix A: Zone Highlights
- Appendix B: State Incentive Usage by Zone 2010-2014
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APPENDIX A: ZONE HIGHLIGHTS

Accomack County - Northampton County

- Improvements totaling $8 million were made to the Wallops Research Park in Accomack County, connecting it to the NASA Wallops Flight Facility.
- Bayshore Concrete Products broke ground on a $4 million expansion to their Northampton County facility in January 2014. Bayshore Concrete Products then added more than 200 jobs at their Cape Charles location.

Alleghany County - Clifton Forge - Covington

- The Alleghany Foundation completed a historic renovation in downtown Covington to house their headquarters.

Bedford (Town)

- Renovation of the former Frank Chervan building was completed, bringing 32 new market-rate apartments to downtown Bedford. This project was developed from a Virginia Main Street grant to study the reuse of the four-story structure that was once a furniture factory and a tobacco warehouse.

Charlotte County - Prince Edward County - Lunenburg County

- Prince Edward County's Southgate Shopping Center in Farmville began a multi-phase revitalization project after the closing of multiple stores in 2013. The shopping center will house a new CVS, Verizon Wireless retailer and a medical center for Centra Southside Community Hospital.
- The Corsi Group, a leading manufacturer of custom cabinetry headquartered in Indiana, announced Keysville for a new manufacturing facility that will create 110 jobs in Charlotte County.
- Blue Ridge Railcar Repair announced a planned investment of $2.4 million to expand their location in Charlotte County Industrial Park and the addition of 37 new jobs.

Chesterfield County

- The region's first Wal-Mart Neighborhood Market located in the Meadowbrook Plaza shopping center during 2014. Wal-Mart invested $3 million and will create 70 new jobs for the 42,000-square-foot store.
- NCI Group, Inc. completed a nearly $2 million expansion of the Metal Building Components facility in the Walthall Industrial Park and invested an additional $12 million in equipment. NCI has created 40 new jobs at the facility since 2012.
- Sabra Dipping Company continued to expand their operation in Colonial Heights, creating 60 new, permanent, full-time positions in 2014, for a total of more than 420 new jobs since 2009.

Danville

- In September, the Danville Family YMCA opened the new 50,000-squre-foot facility in the River District. YMCA invested over $12 million in the new facility, which will be the first major construction project completed on the Dan River in over a century.
- Sky Valley Foods announced the relocation of its headquarters and food manufacturing operations to Danville from North Carolina. The company began hiring in 2014 and projects the creation of up to 50 new jobs by the end of 2015.

Emporia – Greensville County

- Ruin Creek Properties completed a $3.5 million investment for a new GM Car Dealership for Boyd Chevrolet-Buick-GMC in Emporia.
- The city of Emporia offered local enterprise zone incentives to fund façade improvements to five buildings in the downtown.

Franklin - Southampton County - Isle of Wight County

- Keurig Green Mountain Inc. added 197 new full-time jobs in 2014, for a total of more than 430 new jobs at the Isle of Wight facility since 2011.
- Following the 2013 completion of the $91 million investment in their Southampton County facility, Enviva Pellets has created over 90 new jobs.

Galax

- Consolidated Glass and Mirror announced a planned expansion for 2015. The company has committed to investing over $1.5 million and creating 30 new jobs.

Halifax County

- Blue Chip Racing Resorts invested $1 million in an ongoing project to repave and widen the track of the racing facility at Virginia International Raceway.

Hampton

- The Copeland Industrial Business Park was the site of six rehabilitation and expansion projects that received Real Property Investment Grants for 2014.
- Old Point National Bank completed the construction of its new Corporate Headquarters in Downtown Hampton, following the investment of approximately $11,870,875.
- Ferguson Enterprises leased 44,000 square feet in the Hampton Roads Center to house its National Sales Center.
- Tysinger Real Estate invested nearly $8.5 million to expand the Tysinger Motor Company to include an Audi franchise. The expansion project added 23,000 square feet to the existing 60,000-square-foot facility. Tysinger plans to add at least 40 new employees at this facility by the end of 2015.
- Faneuil, Inc. invested over $2 million to open a multi-channel customer care support center to employ over 400 customer service representatives at Hampton's Peninsula Town Center.
- FedEx began construction on a new 210,000-square-foot distribution center in Langley Research and Development Park. Significant job creation is expected once the facility opens in late 2015.

Henry County - Martinsville

- Two businesses, Kilgour Industries Ltd. and Monogram Snacks, announced they will invest a total of $63.3 million to construct new facilities in the Patriot Centre at Beaver Creek in Henry County and create 355 new jobs.
- The final permits for the Commonwealth Crossing Business Centre Mega Park were approved and grading began on the $16,700,000 project.
- The former Liberty Fair Mall was purchased by Hull Storey LLC and the area has been renamed the 'Villages of Martinsville.' The mall structure was demolished in 2014 and replaced by a plaza with new facades for the retail spaces.

James City County

- Greystone of Virginia added over 55 new jobs to their facility in Toano, in addition to making an investment of nearly $2 million in equipment.
- Wal-Mart's Import Distribution Center continued to expand their James City County facility due to growing online sales. Wal-Mart is eligible for pre-2005 tax credits for this location.

Lynchburg

- J. Crew completed the expansion of its Lynchburg Clearance Store and Warehouse with a capital investment of approximately $1.7 million.
- Delta Star, the nation's sole manufacturer of mobile transformers and substations, completed a $2.6 million expansion at their Mayflower Drive facility.
- Porter's Group, a fabricated metal manufacturer, invested $2.4 million in expanding an existing industrial facility. Porter's Group added 110 new jobs in 2014 and expects to continue to expand in 2015.
- Comeback Inn LLC invested $2.3 million in an extensive renovation of the former University Inn near Liberty University. The 120-room hotel has been rebranded as a La Quinta Inn and Suites.
- Lynchburg Humane Society invested over $6,000,000 to the construction of a new facility that can house more than 300 animals, a major expansion from their previous location. The Edythe Elizabeth Stauffer Center for Pets will offer adoption, education, and veterinary services to the Lynchburg community.

Newport News

- Liebherr Mining and Construction Equipment completed additional work as part of the $45 million capital investment announced in 2012. Liebherr has announced the addition of over 150 new jobs within the next three years.
- Substantial capital investments continue to be made in the city's central business district, known as City Center at Oyster Point. Investments included $10 million for the Travinia Italian Kitchen and Wine Bar and Paragon City Center movie theater complex and $1 million for renovations at Two City Center, a five-story, Class-A office building featuring first floor retail and restaurant spaces.

Norfolk

- Bauer Compressors completed an $8 million expansion of their headquarters and invested over $5 million in new equipment. Bauer projects they will add 100 new jobs at the facility.
- Craft brewery O'Connor Brewing Company completed a $1.75 million rehabilitation of their facility in order to upgrade the tasting rooms and expand their production capacity.
- SAM Wards Corner LLC constructed a commercial complex, K&K Square at Wards Corner, at the former site of K&K Toys. The strip center will house tenants such as Harris Teeter, GNC, Moe's Grill and Starbucks.

Patrick County – Stuart (Town)

- Piedmont Regional Community Services Board invested $750,000 into a 4,300-square-foot expansion to their Patrick County clinic.
- Pioneer Health Services of Patrick County began rehabbing the Pioneer Community Hospital of Patrick. The project will add a new emergency room, renovated lobbies, patient rooms and the radiology unit, and a new dietary department.

Petersburg

- The Nash LLC completed a $1.5 million rehabilitation of a blighted vacant building into a mixed-use facility to house award-winning Saucy's Walk-Up BBQ, Buttermilk Bake Shop and Therapeutic Massage Center and Boutique.
- Sycamore Crossings invested $1 million to rehabilitate a 53,000-square-foot former art center into a mixed-use facility with artist studios, a gallery and event space on the lower levels and apartments on the upper floors.

Pittsylvania County

- Centra Health constructed a new, state-of-the-art, 500,000-square-foot medical facility in the town of Gretna. The capital investment for the project was approximately $23.8 million.

Portsmouth

- Food processor T.O. Williams completed a 2,000 square foot, $400,000 expansion of its existing facility.
- Chick Fil-A completed the construction of a $1.66 million restaurant in the high-traffic Downtown-Midtown neighborhood.
- SimIS, a small veteran-owned information technology company continued their expansion in 2014, to a total 16 new jobs since 2011. SimIS was also accepted in the Virginia Economic Development Partnership's VALET program this year.
- Recycling Disposal Solutions expanded their employment by more than 40 percent in 2014, following an investment of $765,000 by property owner Third Capital to expand their facility.

Prince George County

- Summit Investments completed an expansion for the Service Center Metals facility, which allowed Service Center Metals to substantially increase their manufacturing employment.

Pulaski County - Pulaski (Town)

- Volvo announced a $68 million expansion to the New River Truck Plant in Pulaski County, which will bring 200 new jobs to the facility. The New River Truck Plant is Volvo's largest manufacturing plant worldwide.
- Polish candle company Korona Candles located to Pulaski County in 2014, investing $3 million to rehab a previously-vacant brake pad factory. Korona Candles, which supplies major retailers such as Wal-Mart and Ikea, expects to create up to 80 jobs at the new facility.
- Phoenix Packaging expanded their workforce and invested in new machinery and tools in 2014. The plastic manufacturer, which supplies companies such as Keurig and Dannon, has added nearly 115 new jobs since 2010.
- James Hardie Building Supply announced the upcoming expansion of their Pulaski County facility in 2014. The Australian company plans to invest $15 million into the facility and add 60 new jobs.
- Construction began on Historic Calfee Park, the ninth oldest professional Minor League Baseball Park in use in America. The facility, located in the town of Pulaski, is the new home of the Pulaski Yankees, a minor league team for the New York Yankees.

Richmond (City)

- Karn Custom Woodwork invested $1.4 million in building and machinery improvements for their new Richmond headquarters.
- Inland Harbor LLC invested over $1 million into the new restaurant facility for Groovin' Gourmet, who was then able to create 10 new jobs.
- Virginia Commonwealth University Real Estate Foundation invested $2 million in renovations for two commercial buildings along Broad Street near VCU's campus.
- Apple Nine Hospitality Ownership completed the $23 million construction of a new Residence Inn by Marriot and Courtyard Marriot in Downtown Richmond, bringing much-needed hotel space to the area.

Radford

- Johnny and Penny Guilliams invested more than $500,000 into a new facility specifically for the Virginia Department of Corrections Probation Office.

Roanoke (City)

- Mincon, a mining-industry supplier based in Ireland, completed a new office building, with an investment of approximately $500,000.
- 113 Norfolk LLC completed the $1.1 million rehabilitation of a vacant building to a mixed-use facility with offices and 12 apartment units.
- Wholesome Harvest Baking completed a $450,000 rehab of their facility in Roanoke, following the acquisition of Groupo Bimbo, a Mexican multinational bakery company.
- FreightCar Roanoke, a subsidiary of FreightCar America, has created over 90 permanent, full-time jobs since 2012. Chicago-based FreightCar America manufactures railcars for bulk transportation operations.

Staunton

- Advanced manufacturer Cadence created 22 new jobs at their Staunton facility in 2014, for a total of 98 new jobs created since 2010.

Tazewell County

- Mining equipment manufacturer PEMCO expanded their Bluefield facility, with an investment of more than $600,000.

Warren County

- The Family Dollar in Front Royal was renovated and a new roof was installed, for a total invest of $900,000.

Winchester

- Taylor Landlord LLC renovated a historic hotel building and fly tower into an upscale restaurant, apartments and commercial space in downtown Winchester.
- Major Properties completed a $1 million building expansion to accommodate a new craft brewing and distribution company, Escutcheon Brewing Company.
- Glaize Properties redeveloped vacant and underutilized properties at the former Glaize Lumber site. Following the $1 million renovation, the new mixed-use facility houses a craft brewery, upscale apartments, and offices.

APPENDIX B: STATE INCENTIVE USAGE BY ZONE 2010-2014

Zone Information					Number of Incentives					Summary of 2014 Grants	
Zone #	Community	Acreage	Designation	Expiration	2014	2013	2012	2011	2010	$ Amt.	% of Total
26	Accomack County Northampton County	3659 2765	1995	2014	4	4	2	2	4	$66,245	0.55%
27	Carroll County Town of Hillsville	3828 315	1995	2014	1	0	1	0	0	$64,757	0.53%
29	City of Richmond (East)	3133	1995	2014	4	7	5	5	29	$143,056	1.18%
30	Newport News (Mid-City)	3149	1995	2014	6	6	4	7	4	$286,415	2.36%
31	Newport News (North)	3214	1995	2014	2	1	1	6	1	$84,643	0.70%
32	Brunswick County Town of Lawrenceville	2738 273	1996	2015	0	1	2	0	0	$0	0.00%
33	Chesterfield County (Walthall)	3820	1996	2015	6	7	6	6	6	$519,779	4.28%
35	City of Hampton (Hampton Roads)	3636	1996	2015	7	4	4	4	12	$376,838	3.10%
36	Henry County City of Martinsville	3840 630	1996	2015	5	9	6	6	5	$149,224	1.23%
37	James City County	3832	1996	2015	4	9	8	3	0	$86,583	0.71%
38	Mecklenburg County Town of South Hill Town of LaCrosse	2486 1527.6 556	1996	2015	0	0	0	2	0	$0	0.00%
39	Town of Orange	582	1996	2015	0	0	1	2	1	$0	0.00%
40	Pulaski County (New River)	3719	1996	2015	2	0	0	3	1	$90,035	0.74%
41	Town of Pulaski	319	1996	2015	0	0	0	1	0	$0	0.00%
42	City of Roanoke (Zone 2)	1372	1996	2015	1	5	4	3	4	$69,107	0.57%
44	Tazewell County	3504	1996	2015	1	2	3	3	0	$6,343	0.05%
45	Warren County	2074	1996	2015	1	1	0	0	0	$69,107	0.57%
46	City of Lynchburg (Lynchpin)	2171	1996	2015	8	5	4	2	4	$454,094	3.74%
47	Dinwiddie County City of Petersburg	3029 704	1998	2017	1	0	1	2	1	$13,664	0.11%
48	Charlotte County Lunenburg County Prince Edward County	772 404 2609	2000	2019	5	5	3	4	2	$218,606	1.80%
49	Dickenson County Town of Clintwood Town of Haysi	3654 238 162	2000	2019	0	1	0	0	0	$0	0.00%

50	Warsaw Lancaster County Northumberland County Richmond County Westmoreland County Town of Kilmarnock	903 3021 2471 946 2826 213	2000	2019	2	3	3	4	0	$8,696	0.07%
51	Smyth County Washington County Town of Chilhowie Town of Glade Spring	3572 2876 505 289	2000	2019	1	0	7	4	3	$38,588	0.32%
53	Alleghany County Town of Clifton Forge City of Covington	3608 246 639	2001	2020	2	2	0	2	0	$82,837	0.68%
54	Henry County City of Martinsville	2934 527	2001	2020	1	1	0	0	2	$69,107	0.57%
55	Lunenburg County Town of Kenbridge Town of Victoria	364 310 220	2001	2020	1	0	0	1	0	$58,746	0.48%
56	Mecklenburg County Town of Clarksville	1931 1344	2001	2020	0	0	0	0	0	$0	0.00%
57	Pittsylvania County City of Danville	3428 1700	2001	2020	4	5	7	4	6	$113,994	0.94%
22	Patrick County Town of Stuart	3563 176	2002	2021	2	0	0	0	1	$138,215	1.14%
28	City of Richmond (North) Henrico County	3840 3643	2003	2022	38	28	21	30	26	$2,071,608	17.05%
1	City of Danville	1916	2004	2023	5	5	4	4	8	$272,541	2.24%
2	City of Lynchburg (Downtown 1)	2216	2004	2023	10	13	6	6	19	$587,094	4.83%
3	Newport News (South)	3741	2004	2023	18	13	21	16	17	$907,597	7.47%
5	City of Roanoke (Zone 1)	1922	2004	2023	13	15	11	23	8	$695,151	5.72%
6	Smyth County Town of Saltville	619 351	2004	2019	1	0	1	0	0	$17,077	0.14%
8	City of Hampton (Urban)	3233	2005	2014	13	15	17	3	7	$431,615	3.55%
9	City of Hopewell	2082	2005	2014	1	2	0	0	0	$28,304	0.23%
10	City of Petersburg	922	2005	2014	5	2	2	2	3	$281,371	2.32%
11	Wythe County	1622	2005	2014	1	0	0	2	2	$69,107	0.57%
12	City of Bedford	244	2005	2014	0	0	2	0	0	$0	0.00%
13	City of Galax	619	2008	2017	0	0	0	0	0	$0	0.00%
14	City of Waynesboro	608	2008	2017	1	1	3	5	0	$10,912	0.09%
15	Halifax County/South Boston	2853	2008	2017	6	7	5	2	4	$117,011	0.96%
52	Wise County	3808	2008	2017	0	1	2	0	0	$0	0.00%
18	Franklin Southampton Isle of Wight	878 3412 2438	2010	2019	6	3	4	1	1	$671,055	5.52%
4	City of Portsmouth	1468	2010	2019	5	3	5	2	7	$274,628	2.26%

16	Prince George County	3754	2010	2019	2	1	0	2	3	$143,655	1.18%
17	City of Staunton	699	2010	2019	1	6	5	5	3	$63,051	0.52%
7	City of Norfolk	2384	2010	2019	17	15	13	11	14	$1,254,981	10.33%
24	Pittsylvania County	3,132	2010	2019	1	0	0	0	0	$138,215	1.14%
43	Greensville Emporia	3280 631	2013	2032	1	3	N/A	N/A	N/A	$69,107	0.57%
19	City of Richmond (South)	3611	2013	2032	5	4	N/A	N/A	N/A	$206,698	1.70%
20	Portsmouth	3659	2014	2033	3	N/A	N/A	N/A	N/A	$78,075	0.64%
21	Winchester	3828	2014	2033	3	N/A	N/A	N/A	N/A	$207,322	1.71%
25	Pulaski County Radord	3149 3214	2014	2033	4	N/A	N/A	N/A	N/A	$127,769	1.05%
23	Scott County	3133	2014	2033	1	N/A	N/A	N/A	N/A	$14,400	0.12%
0	JCG from Expired Chester-field Zone	N/A	N/A	N/A	1	N/A	N/A	N/A	N/A	$202,976	1.67%
										$12,202,976	100.00%

APPENDIX C: LOCAL INCENTIVES

Accomack County	**26A**	• Waiver of zoning fees • Finance sewage connection fees for five years at 5 percent 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)
Alleghany County	**53A**	• Utility consumer tax reduction • Business license tax reduction • Real estate tax reduction • Machinery and tools tax reduction • Rezoning fees reimbursement • Building permit fee reimbursement
Bedford (Town)	**12**	• 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 connection fees • 5-year business, occupational, license (BPOL) fee rebates
Brunswick County	**32A**	• Fast-track permitting • Waiver of building permits for business renovation and rehabilitation, new business construction, or 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, rehabilitation of vacant structures, residential rehabilitation/renovation, new business construction, businesses locating in Brunswick County Industrial Park • Machine and tool tax waiver for new businesses or industry park businesses • Local assistance/coordination with local banking • Low or no interest fixed asset loans
Carroll County	**27A**	• Water and sewer rate credits (five-year decreasing credit on water and sewer rates to qualified businesses) • Waiver of building permit fees • A grant of $250 per job created for qualifying new or expanding businesses • Machinery and tool tax incentive • Real property tax incentive
Charlotte County	**48A**	• Site purchase discounts • Fast-track permitting • Machinery and tools tax reinvestment grant • Workforce training assistance to help businesses prepare employees for career advancement • Technology assistance to address the needs of companies locating in the industrial park

Chesterfield County	**& 33**	• Real estate tax exemption • Machinery and tools rebate • Business tangible personal property rebate • Business, professional and occupational license fee exemption • Utilities connection fee credit • Waiver of building permit fees • Waiver of land disturbance permits • Waiver of zoning, site plan, or sign permits for projects that are in compliance with the county's comprehensive plan.
Chilhowie (Town)	**51C**	• Water and sewer fee credits for new/expanding businesses • Water and sewer hook-up fee waivers for new businesses • Nine-year real estate rehabilitation tax exemption • Building permit fee waiver • Business, professional and occupational license tax credit for businesses creating new jobs in zone
Clarksville (Town)	**56B**	• $400 job grant per full-time position created by qualified businesses • Six-year economic stimulus grant for qualified businesses based on machinery and tools tax • Industrial real estate discount for businesses creating 75 jobs over 30 months and locating in the Lake Country Industrial Park • Waver of zoning permit fees and expedited zoning approval • Wavier of water/sewer connection fees • CBD stimulus grant based on BPOL tax • CBD tax assessment exemption for commercial renovations of at least $20,000
Clifton Forge (Town)	**53C**	• Utility consumer tax reduction • Business license tax reduction • Real estate tax reduction • Machinery and tools tax reduction • Rezoning fees reimbursement • Building permit fee reimbursement
Clintwood (Town)	**49B**	• Waiver of water and sewer connection fees for qualified businesses • Targeted workforce training grants
Covington	**53B**	• Utility consumer tax reduction • Business license tax reduction • Real estate tax reduction • Machinery and tools tax reduction • Rezoning fees reimbursement • Building permit fee reimbursement • Small business loan program
Danville	**1 & 57B**	• Reimbursement of water, sewer and gas tap fees • Assistance from the Dan River Businesses Development Center • Assistance from the Regional Center for Applied Technology and Training • Real estate tax abatement for targeted historic structures • Local Job Creation Grant • Exemption from City permit fees • 50 percent BPOL fee rebate • EZ Industrial Investment Grant (Machinery and Tools Grant) • Discounts on the price of targeted development sites

Dickinson County	**49A**	• Waiver of water and sewer connection fees for qualified businesses • Targeted workforce training grants • An annual industrial development grant for up to five years based on the amount of county real estate tax • Rehabilitated real estate tax exemption • Five-year machinery and tools tax grant • Waiver of building and permit fees for new and expanding businesses
Dinwiddie County	**47B**	• Expedited permit review process for new construction/expansion projects • Building Permit/Site review fee waiver • Water/Sewer fee reduction • Code enforcement • Seven-year grant based on the value of a business's certified recycling equipment • Full or partial exemption of BPOL fees
Franklin	**18A**	• Discounted purchase of city/county-owned industrial land • Partial exemption from real estate taxes for qualifying rehabilitated structures • 50 percent rebate on machinery & tools taxes paid for a period of five years • Electric utility tax rebate • Rebate of building code permit fees • Fast track permit processing • 10 percent rebate on annual electric bill (not to exceed 10 years and not to exceed $20,000) • Free temporary office space for administrative staff up to five persons • Franklin's Paul D. Camp Community College's Regional Workforce Development Center's One-Stop Job Center will provide complimentary assistance in hiring personnel • Qualified companies may take advantage of a reduced rate in conducting a jobs skills assessment and jobs skills need • Local organizations and businesses will offer complimentary or discounted services to new businesses locating in an Enterprise Zone
Galax	**13**	• Rehabilitated real estate tax exemption • Building, zoning and sign permit fee waivers • Water and Sewer line connection fee waivers • Retail business, wholesale business and processional occupational license tax credits
Glade Spring (Town)	**51D**	• Real estate rehabilitation tax exemption in the increased assessed property value resulting from the rehabilitation of commercial or industrial real estate that is 25 years or older • Five-year declining BPOL tax credit
Greensville County	**34**	• Building/Zoning permit fee rebate • Utility service improvements • Waiver of water and sewer tap fees • Real estate & Machinery and tools tax rebate • Land buy down- county owned land may be sold to a client with continued investment/ job creation with continued operations over a five year period.
Halifax County	**15**	• Discounted acquisition for properties owned by Halifax County • Real Property Improvement Grants for properties increasing assessed value by at least $100,000 in county and $65,000 in the towns. • Furniture, Fixtures and Equipment Grant for new taxable investments over $50,000 • Machinery and Tools Investment Grant for net new taxable investment of $50,000 • Business and Professional License Waiver • Utility Tax Grant on electricity and natural gas for new and expanding businesses • Chamber of Commerce Membership Fee Waivers

Hampton	**8 & 35**	• Capital investment grant • Business license and utility tax refunds • Enterprise zone revolving loan program- low interest financing for expansions and new business development • Access to the Hampton University Small Business Incubator • Access to the Hampton Technology Incubator
Henrico County	**28B**	• Accelerated development processing • Seven-year rehabilitation real estate tax exemption on increased assessment value • Building façade grant for 33 percent of renovation costs up to $30,000 for businesses creating at least one job per $10,000 grant • Building façade grants for existing small businesses of 33 percent up to $30,000 for external improvements and internal code violation corrections. • Employment and training assistance by the Capital Area Workforce Investment Board • Planning review and permit fee waivers • Architectural Design Assistance Program for façade, exterior (landscaping) improvements • Crime Prevention through Environmental Design • Prioritization for commercial revitalization staff design and technical assistance • Training seminars for businesses • Off-Site Improvement Grants for 33 percent of off-site improvement investments up to $10,000 for off-site draining, water and sewer improvements • Parking lot sealing and repaying grants of 33 percent of investment up to $5,000 • Landscaping grants of 33 percent up to $2,000 for the enhancement of parking and street frontage. • Building demolition grant of 33 percent up to $30,000 to clear a site for new development • Existing free-standing signage grants of 33 percent up to $2,000 to demolish, replace or refurbish free-standing signage.
Henry County	**36A & 54A**	• Real estate tax grant for new investments in commercial and industrial projects • Machinery and tools tax grant • Business furniture, fixtures and equipment tax grant • Waiver of building permit fee • Water and sewer connection fee waiver
Hillsville (Town)	**27B**	• Waiver of water and sewer hook-up fees • 50 percent reduction of water and sewer charges for six months • Waiver for one year of inspection fees for building permits issued • 50 percent reduction of zoning permit fees for one year
Hopewell	**9**	• Waiver of building, plumbing, electrical, and mechanical permit fees • Land development fee waiver • Business professional occupational license fee exemption/reduction • Commercial real estate rehabilitation tax exemption • Fire safety education seminars • Crime prevention education and security risk assessments • Sewer tap connection fee waiver • Accelerated development processing for major development activities • Public facility and infrastructure enhancement

James City County	**37**	• Rehabilitated real property tax exemption • Property tax incentive of up to $400 per zone resident employee and $200 per county employee • EDA grant based on an increase in assessed value in real estate improvements and machinery and tools • Waiver of county permit fees • Reduction of sewer transmission fees • Matching grant of up to $25,000 to qualified businesses for the establishment or enhancement of a daycare or preschool facility in the zone • Waiver of consumer utility tax • Expedited processing and/or fast track permitting
Kenbridge (Town)	**55B**	• Reduced/waived land cost in county industrial parks • Reduced/waived cost of water and sewer extension and connection fees • Waiver of all building permits and fast tracking permit processing • Waiver of business license fees • Workforce training and recruitment • Issuance of tax-exempt industrial revenue bonds to assist in financing projects
Kilmarnock (Town)	**50A**	• Financial inducement for capital investments for new and existing businesses • Financial inducement for job creation for new and existing businesses • Kilmarnock Business and Technology Park exemptions (BPOL tax, zoning permits, water/sewer connections, auto decal fees, subdivision permit fees)
La Crosse (Town)	**38A**	• Waiver of water and sewer connection fees • Waiver of building permit fees • Reduced water and sewer charges • Waiver of business license tax for businesses that create at least 10 full-time jobs • Decreasing payment over a four-year period based on the machinery and tools taxes paid • Payment of $400 per job for a zone business creating 15-50 jobs within a 30-month period • Waiver of building permit fees • Coordination with local banks
Lancaster County	**50B**	• Financial inducement for capital investments for new and existing businesses • Financial inducement for job creation for new and existing businesses • Façade improvement grants • Micro-enterprise loan pool • Rehabilitated property tax credits
Lawrenceville (Town)	**32B**	• Fast-track permitting • Waiver of real estate taxes for existing business renovation/expansion, rehabilitation of vacant structures, residential rehabilitation/renovation, or new construction • Waiver of business, professional, and occupation licensing tax • Waiver of water and sewer connection fees for qualified structures
Lunenburg County	**48B**	• Site purchase discount for businesses investing at least $7 million and creating at least 75 full-time jobs • Real estate tax grant equal to a percentage of real estate taxes paid • Fast-track permitting • Machinery and tools tax rebate • Workforce training assistance • Technology assistance

Lunenburg County	**55A**	• Reduced/waived land cost in county industrial parks • Five-year industrial/commercial development grant (based on real estate taxes incurred by new/expanding industrial/commercial businesses) • Five-year industrial/commercial property tax grant (based on real estate taxes incurred by new/expanding industries) • Waiver of all building permits • Fast track permit processing • Waiver of business license fees • Five-year industrial/commercial equipment investment grant • Workforce training and recruitment • Issuance of tax-exempt industrial revenue bonds to assist in financing projects
Lynchburg	**2 & 46**	• Redevelopment grant for up to $25,000 for real property rehabilitation or redevelopment • Real estate rehabilitation credit for the increased local tax burden for properties at least 50 years old and increasing assessment by at least 60 percent • Loan Pool Program offering below-prime financing on loans of $50-100,000 • Industrial training programs through Central Virginia Community College • Land acquisition opportunities from the city and EDA with waived transaction costs • Water and sewer availability payment plans for new service
Martinsville	**36B & 54B**	• Business professional occupation license fee rebate • Real estate tax exemption • Real estate tax grant based on the increase in real estate tax for qualified projects • Machinery and tools tax grant • Business furniture, fixtures and equipment tax grant • Waiver of building permit fees for qualified zone businesses • Water and sewer connection fee waiver for new and expanding qualified businesses
Mecklenburg County	**38C**	• Decreasing payment over a four-year period based on the machinery and tools taxes paid • Payment of $400 per job for a zone business creating 15-50 jobs within a 30-month period • Waiver of building permit fees • Coordination with local banks • Industrial real estate discount for industries locating in the Airport Industrial Park
Mecklenburg County	**56A**	• $400 job grant per full-time position created by qualified businesses • Four-year economic stimulus grant for qualified businesses creating 50 full-time jobs over 30 months based on machinery and tools tax • Industrial real estate discount for businesses locating in the Occoneechee Commerce Park
Newport News (Zone 1: South)	**3**	• 10-year decreasing rebates on business license fees • Industrial infrastructure improvements to the Oakland Industrial Park, Carleton Farm Industrial Park, and other industrial land owned by the EDA • Reduction in target industry occupancy costs • 10-year decreasing rebate of local utility tax

Newport News (Zone 2: Middle)	**30**	• Five-year tax exemption on the increase in assessed property value resulting from certain rehabilitation of commercial or industrial real estate • 10-year decreasing rebate on business license fees • Waiver of city fees for building permits, site plans, land disturbance permits and sewer connection/sewer system development • 10-year decreasing rebates of locality utility tax • $5,000 annual appropriation to pay 50 percent of CPA attestation costs for EZ applications capped at $250 per investor • Reduction in target industry occupancy costs
Newport News (Zone 3: North)	**31**	• Five-year tax exemption of the increase in assessed property value resulting from certain rehabilitation of commercial or industrial real estate • 10-year decreasing rebates on business license fees • Low-interest and gap financing loan programs and waiver of application fees • 10-year decreasing refunds of local utility tax • Loan package assistance for obtaining public and private sector loans and loan guarantees • Assistance with general business counseling and referral to regional agencies offering intensive business planning and market determination assistance • Reduction in target industry occupancy costs • Acquisition of industrial and commercial sites by the city to be sold at/below market rates
Norfolk	**7**	• Building permit relief • Business license tax relief • Local utility tax relief • Commercial/industrial real estate relief program • Free consultation with a tax specialist • Free formal training (EZ incentive workshops, writing a business plan, marketing assistance, how to do business with federal, state and local government, and how to use technology based tools in business) • Complementary marketing for business districts • Norfolk Redevelopment Housing Authority technical and research assistance • Norfolk Redevelopment Housing Authority meeting space
Northampton County	**26B**	• Microenterprise loan program to aid small business expansion/start-ups • Rehabilitated real estate tax exemption on the increase in assessed property value resulting from rehabilitation of commercial or industrial real estate
Northumberland County	**50C**	• Financial inducement for capital investments for new and existing businesses • Financial Inducement for job creation for new and existing businesses
Patrick County	**22A**	• Three-year machinery and tools tax grant based on the increase in assessed machinery and tools taxes • Rehabilitated real estate tax exemption • Building permit fee waivers

Petersburg	**10**	• Waivers of building permit fees, zoning filing fees, and land disturbing fees • Real estate rehabilitation tax exemption plus • Waiver of water and sewer permit fees • 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 • Five-year machinery and tool tax reduction (50 percent) • Federal historic district expansion
Petersburg	**47A**	• Five-year, 100 percent exemption of business, professional, and occupational license tax • Waiver of permit fees for building, zoning, and land disturbance permits • Waiver of water and sewer connection fees • No cost extension of water and sewer lines when a qualified business acquires a site from the city
Pittsylvania County	**57**	• Site purchase discount of sites owned or controlled by the county • $250 job grant per qualified job • Machinery and tools investment tax grant • Dan River Business Development Center incubator space available for technology based businesses, light manufacturing, and service related businesses • Workforce training • Shell building program to construct shell buildings for targeted businesses
Pittsylvania County	**24**	• Site Discount • Job creation compensation • Local sales tax refund • Building permit fee waiver • Dan River Business Development Center (incubator) • Regional Center for Applied Technology and Training (RCATT)
Portsmouth	**4**	• Business personal property investment grant (cash grant equal 50 percent of net increase in business personal property taxes) • Machinery and tool investment grant (50 percent cash grant of net increase in machinery and tool taxes and are paid over five years) • Development fee rebate (rezoning, use permits, mixed-use housing permits, subdivision applications and site plan reviews, building plan reviews and building permit fees) • Commercial façade loan program • Corridor streetscape improvement incentive • Mixed-use development incentive • Tax exemption for rehabilitated structures
Portsmouth	**20**	• Business personal property investment grant (cash grant equal 50 percent of net increase in business personal property taxes) • Machinery and tool investment grant (50 percent cash grant of net increase in machinery and tool taxes and are paid over five years) • Development fee rebate (rezoning, use permits, mixed-use housing permits, subdivision applications and site plan reviews, building plan reviews and building permit fees) • Commercial façade loan program • Corridor streetscape improvement incentive • Mixed-use development incentive • Tax exemption for rehabilitated structures

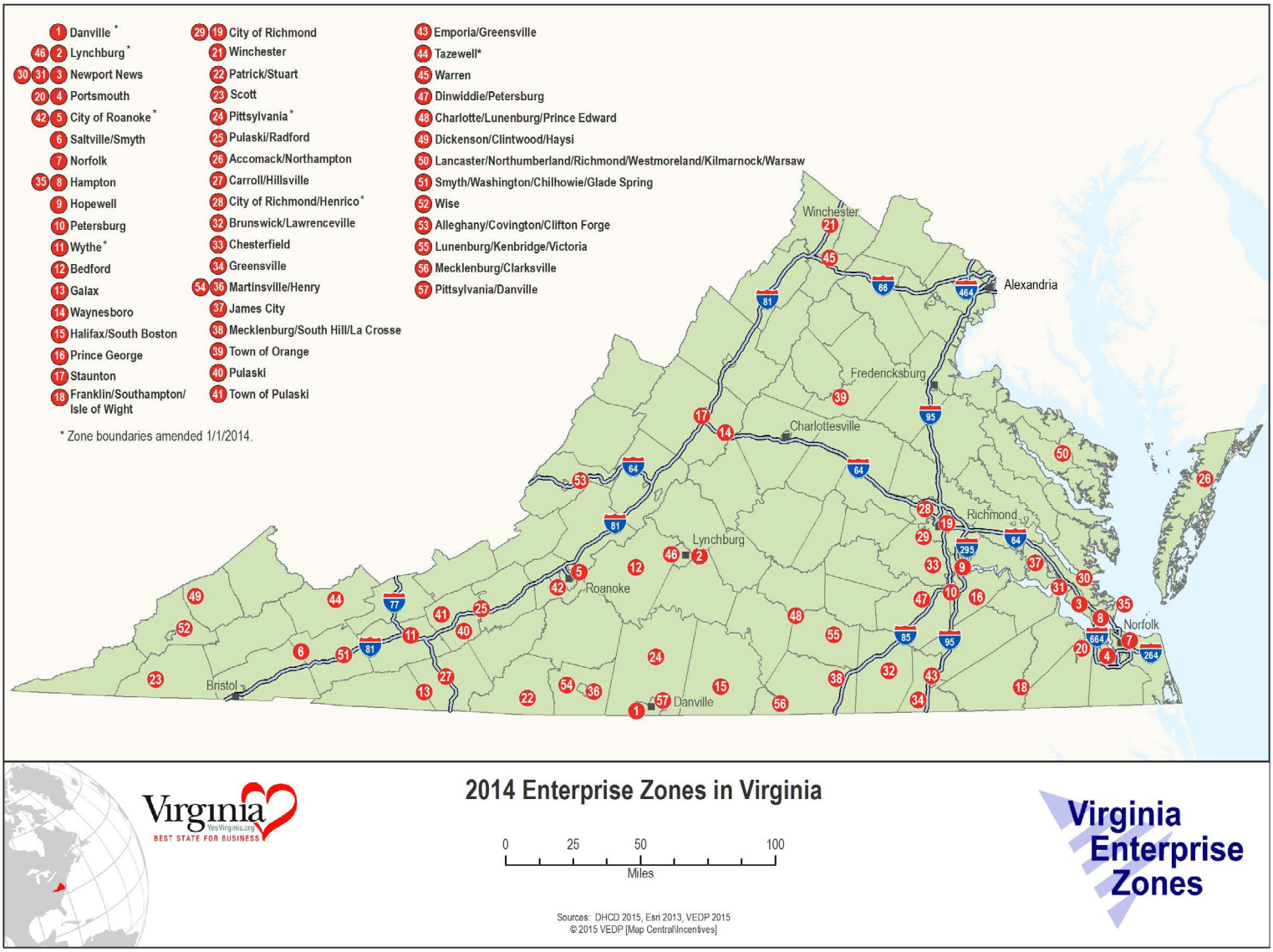
Prince Edward County	**48C**	• Labor pool information • Crime and fire prevention education • Marketing assistance • Business development services • Business security audits • Business workshop training programs • Waiver of building permit fees • Site purchase discount (Prince Edward Business Park) • Machinery and tools investment grant (Prince Edward Business Park/Farmville Industrial Park) • Fast track permitting • Waiver of 25 percent or $1,000 of water/sewer tap fees* • Five-year real estate tax investment credit on 100 percent of the value of improvements resulting from renovation work* • Accelerated development review process* • Architectural design fee reimbursement for historic district* • Waiver of land disturbance/soil and erosion permit fees (west Third St.) ** Exclusive to Farmville*
Prince George County	**16**	• Real property tax exemption • Machinery and tools tax incentive • Reduction of water and sewer charges per month • Rebate of water and sewer connection fees • Off-balance sheet financing • Industrial revenue bond financing • Accelerated development processing
Pulaski County (Zone 2)	**40**	• Rehabilitated real estate tax exemption on the increase in assessed property value resulting from the rehabilitation of commercial and industrial buildings • Machinery and tools tax incentive based on the increase in assessed machinery and tools taxes • Three-year, 50 percent new building tax exemption on the assessed value of a new zone building of $50,000 or more • Business loan program to provide gap financing • Waiver of rezoning fees • Waiver of building permit fees • Temporary office space at the New River Valley Community College
Pulaski (Town)	**41**	• Rehabilitated real estate tax exemption on the increase in assessed property value resulting from the rehabilitation of commercial and industrial buildings • Machinery and tools tax incentive based on the increase in assessed machinery and tools taxes • Three-year, 50 percent new building tax exemption on the assessed value of a new zone building of $50,000 or more • Business loan program to provide gap financing • Waiver of rezoning fees • Waiver of building permit fees • Temporary office space at the New River Valley Community College
Orange (Town)	**39**	• Waiver of city permit fees for zoning, rezoning and sign permits • Accelerated development processing • Architectural and landscaping design assistance • Business management and promotional programs for all business properties in the Main Street district

Richmond (City)	**19, 28 & 29**	• Real estate tax abatement • EZ Brownfield rebate • Specialized machinery and equipment rebate up to 50 percent or $5,000 • Employment assistance grant equivalent to $400 per new eligible position capped at $7,500 for new and expanding businesses • Loan fee rebate up to $1,000 for businesses financing zone investments • Business relocation rebate of 50 percent up to $10,000 toward the costs of relocating a business from outside of the city or from within the city. • Development fee rebate up to $3,000 toward permits associated with rehabilitating or constructing new industrial facilities.
Richmond County	**50E**	• Financial inducement for capital investments for new and existing businesses • Financial inducement for job creation for new and existing businesses • Rehabilitated real property tax exemption
Roanoke (City)	**5 & 42**	• Building façade, parking lot and landscaping grants • Rehabilitated real estate tax exemption • Water, fire and sewer hookup fee rebate • Development fee rebate • Fire suppression retro-fit grant and connection fee rebate • Neighborhood/parks and recreation grant • Business security grant • Job training grants
Saltville (Town)	**6A**	• Rehabilitated real estate tax exemption • Three-year economic stimulus grant to companies that make new machinery and equipment investments and create new jobs • Water and sewer fee reduction • Loan assistance • Training assistance • Business professional and occupational license tax credits • Broadband access connection reimbursement • Tourism marketing mini-grant • Downtown revitalization grant/loan
Smyth County	**6B**	• Rehabilitated real estate tax exemption • Three-year economic stimulus grant to companies that make new machinery and equipment investments and create new jobs • Water and sewer fee reduction • Loan assistance • Training assistance
Southampton County	**18B**	• Discounted purchase of county owned industrial land with a minimum investment of $500,000 in improvements and machinery & tools • Rehabilitation tax credit for renovations in excess of $5,000 on structures that are at least 15 years of age • 50 percent rebate of machinery and tools tax over 5 years • Electric utility tax rebate • Building code permit fee rebate • Fast track permit processing • Temporary office space • Workforce hiring and screening • Job profile assessment

South Boston (Town)	**15**	• Sales tax exemption • Employment training for new and existing zone employees at the local community college • Business license grant • Utility tax grant • Reduced permit fees
South Hill (Town)	**38**	• Decreasing payment over a four-year period based on the machinery and tools taxes paid • Payment of $400 per job for a zone business creating 15-50 jobs within a 30-month period • Waiver of building permit fees • Coordination with local banks • Industrial real estate discount of 50 percent off the listing price of property for industries locating in the Interstate Industrial Park that invest at least $10 million and create a minimum of 100 qualified jobs
Staunton	**17**	• Five-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) • Five-year business grant • Five-year 50 percent grant on machinery and tools tax • Five-year business grant with job creation emphasis • Provision of free horticulture advice to businesses • 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
Stuart (Town)	**22B**	• Water and sewer hookup fee reduction or waiver • Rehabilitated real estate tax exemption • Three-year decreasing credit on business professional and occupational license tax • Two-year machinery and tools tax grant based on the increased assessment
Tazewell County	**44**	• Three-year annual industrial development grant of up to 100 percent of the real estate tax for new businesses creating at least five new full-time jobs and investing $25,000 • Three-year annual industrial development grant to new businesses creating at least five new jobs or increasing their employment 10 percent, whichever is greater, and investing $25,000 • Three-year rehabilitated real estate tax exemption for new/expanding EZ businesses for investments over $25,000 • Machinery and Tools Tax Grant for new/existing business creating at least five new jobs and investing $25,000
Victoria (Town)	**55C**	• Reduced/waived land cost in county industrial parks • Reduced/waived cost of water and sewer extension and connection fees • Waiver of all building permits and fast track permit processing • Waiver of business license fees • Issuance of tax-exempt industrial revenue bonds to assist in financing projects

Warren County	**45**	• Five-year decreasing exemption of business and occupational license fees for qualified businesses • 50 percent rebate of all planning, zoning, and building permit fees for work done in the first five years of locating within the zone • Accelerated review and approval process for required permits • Financial packaging assistance • Labor pool information
Warsaw (Town)	**50F**	• Financial inducement for capital investments for new and existing businesses. • Financial Inducement for job creation for new and existing businesses • Façade improvements • Rehabilitated real property tax exemption • Three-year 50 percent tax incentive on the assessed value of a new building costing at least $100,000
Washington County	**51B**	• Real estate rehabilitation tax exemption in the increased assessed property value resulting from the rehabilitation of commercial or industrial real estate that is 25 years or older • Building permit and rezoning fee waivers for commercial and industrial structures or Call IV construction • Waiver of application fees for industrial revenue bond financing • Reduction in purchase price of IDA land for businesses meeting certain hiring, wage rate, and investment levels
Westmoreland County	**50D**	• Financial inducement for capital investments for new and existing businesses • Financial inducement for job creation for new and existing businesses
Wise County	**52**	• Waiver of building permit fees to qualified businesses based on new job creation • Reduction in per-acre land price for property in the Business and Technology Park and the Toms Creek/Dale Ridge site based on job creation • Reduction in costs associated with preparing sites for construction at the Business and Technology Park and the Toms Creek/Dale Ridge sites • 10-year decreasing incentives against the real estate and machinery and tools taxes based on job creation • Customized training and regular course of study through UVA Wise and Mountain Empire Community College
Wythe County	**11**	• Discounted acquisition prices for real estate in Progress Park with the creation of 25 new jobs and a $5 million capital investment • Rebate and/or waiver of wastewater connection fees • Reduced water usage rates • Waiver of building permit fees • Fast track permitting for Profess Park • Revolving loan fund rate reduction with the creation of 10 new jobs and $1,000,000 capital investment • Annual grant to qualifying high-wage, high-investment, non-manufacturing operations • Grant for new dining and lodging establishments • Annual BPOL Grants for new establishments

APPENDIX D: ENTERPRISE ZONE MAPS



APPENDIX E: 2014 HIGH UNEMPLOYMENT AREAS

In 2010, the Virginia Enterprise Zone (VEZ) Job Creation Grant program was amended to change the eligibility threshold in areas with unemployment rates that are equal to or more than one and one-half times the state average. Previously, positions earning less than 175 percent of the federal minimum wage were not eligible for the job creation grant. The amendment to the statute allows otherwise eligible businesses in high unemployment areas paying 150 percent of the federal minimum wage to qualify for the $500/position grant. In GY 2014, 150 percent of the federal minimum wage was $10.88. High unemployment area zones that were authorized by this provision during GY 2014 are listed below. Towns within counties listed below are considered HUAs as well.

2014 Enterprise Zone Grant Application			
Brunswick County	32	City of Hopewell	9
City of Covington**	53	City of Martinsville	36,54
City of Danville**	1, 57	Mecklenburg County	38,56
City of Emporia	43	City of Petersburg**	10, 47
City of Franklin**	18	Prince Edward County**	48
City of Galax	13	Richmond County	50
Greensville County	34, 43	Smyth County**	6, 51
Halifax County	15	Wise County	52
Henry County	36, 54		

**The following communities in joint zones are NOT HUAs: Alleghany County, Charlotte County, Clifton Forge Town, Dinwiddie County, Glade Spring Town, Isle of Wight County, Town of Kilmarnock, Lancaster County, Lunenburg County, Northumberland County, Pittsylvania County, Southampton County, Washington County, Town of Warsaw, Westmoreland County. Businesses in these communities are not eligible for the reduced wage threshold. Source: DHCD based on the LAUS Unit and Bureau of Labor Statistics 2012 Annual Virginia Unemployment Report.

The cities of Galax and Hopewell, as well as Prince Edward, Richmond, Smyth (including the towns of Chilhowie and Saltville) and Wise counties are now considered HUA zones starting in GY 2014.

The following localities are no longer considered HUA zones: Carroll County and the town of Hillsville, Patrick County and the town of Stuart, and Dickenson County and the towns of Clintwood and Haysi. However, any new business applying for the JCG in these zones must pay a wage rate threshold of at least 175 percent of the FMW ($12.69/hour) to be eligible for the grant.

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