



Virginia Enterprise Zone Program

Zone Renewal Training



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

VIRGINIA'S ENTERPRISE ZONES

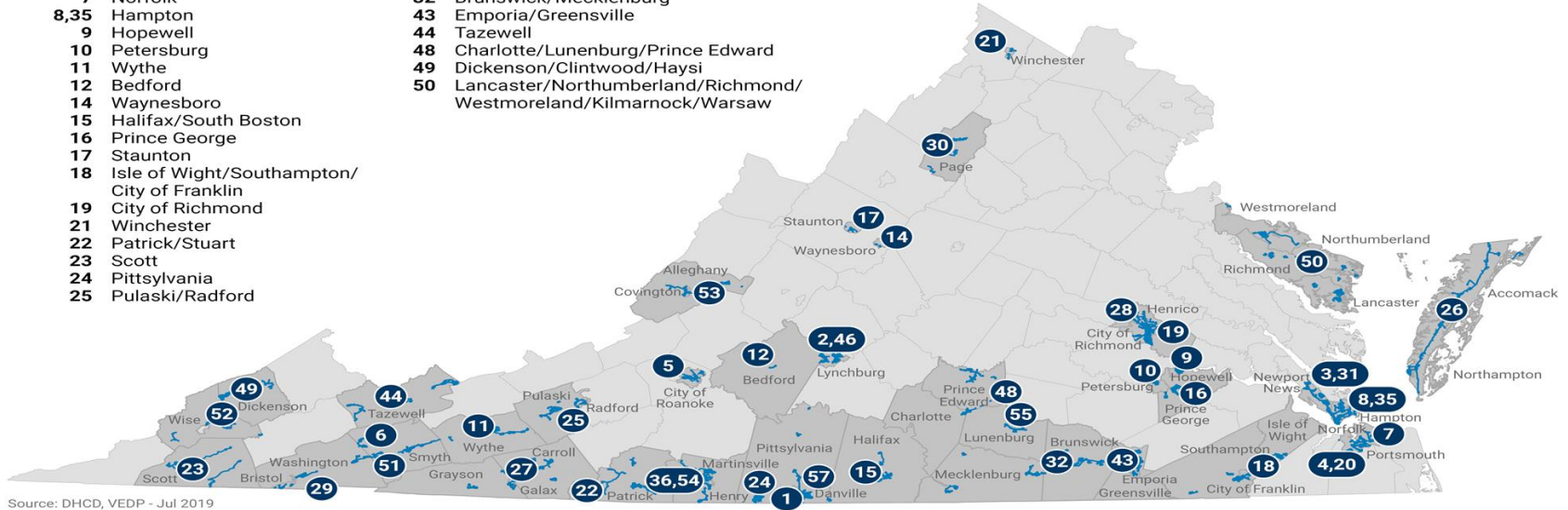


Enterprise Zones

- 1 Danville
- 2,46 Lynchburg
- 3,31 Newport News
- 4,20 Portsmouth
- 5 City of Roanoke
- 6 Saltville/Smyth
- 7 Norfolk
- 8,35 Hampton
- 9 Hopewell
- 10 Petersburg
- 11 Wythe
- 12 Bedford
- 14 Waynesboro
- 15 Halifax/South Boston
- 16 Prince George
- 17 Staunton
- 18 Isle of Wight/Southampton/
City of Franklin
- 19 City of Richmond
- 21 Winchester
- 22 Patrick/Stuart
- 23 Scott
- 24 Pittsylvania
- 25 Pulaski/Radford

- 26 Accomack/Northampton
- 27 Carroll/Galax/Grayson
- 28 City of Richmond/Henrico
- 29 Bristol
- 30 Page
- 36,54 Martinsville/Henry
- 32 Brunswick/Mecklenburg
- 43 Emporia/Greenville
- 44 Tazewell
- 48 Charlotte/Lunenburg/Prince Edward
- 49 Dickenson/Clintwood/Haysi
- 50 Lancaster/Northumberland/Richmond/
Westmoreland/Kilmarnock/Warsaw

- 51 Smyth/Washington/Chilhowie/Glade Spring
- 52 Wise
- 53 Alleghany/Covington/Clifton Forge
- 55 Lunenburg/Kenbridge/Victoria
- 57 Pittsylvania/Danville



Source: DHCD, VEDP - Jul 2019

- Enterprise Zone Designation
- Enterprise Zone Boundary
- Locality with Enterprise Zone

GY2022 Data



\$16,250,000 IN PROGRAM FUNDS

104 RPIGS

\$466,494,655 TOTAL QRPIS

\$9,357,734 AWARDED IN RPIGS

38 JCGs

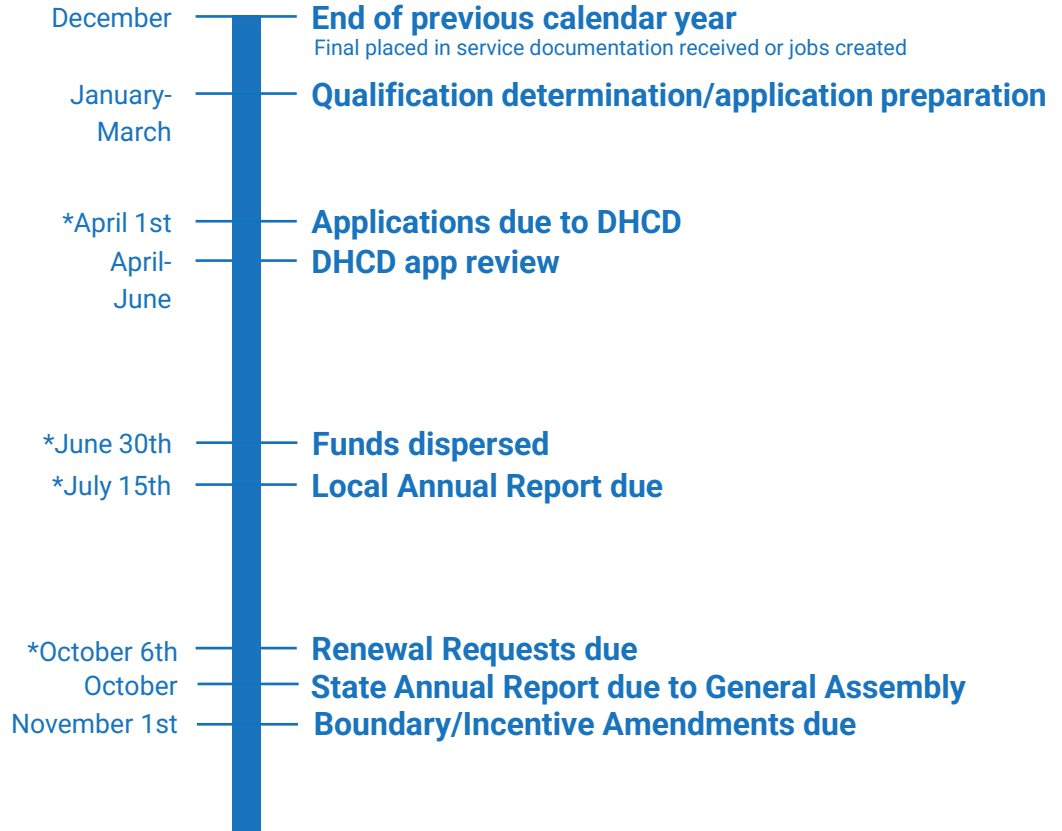
\$1,795,246 AWARDED IN JCGS

142 TOTAL GRANTS

\$11,152,980.20 TOTAL AWARDED



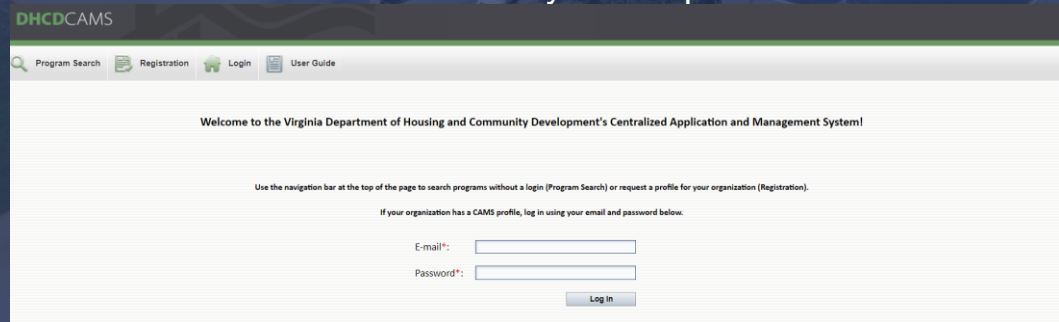
Annual Timeline



Renewal Request Requirement

In accordance with the Code of Virginia a locality is required to submit renewal applications by the beginning of October in anticipation of a localities designated renewal time. Enterprise zones designated after July 1, 2005 and pursuant to [13VAC5-112-460](#) are in effect for an initial 10-year period with up to three five-year renewal periods. Enterprise zones designated prior to July 1, 2005, are eligible for one five-year renewal. Recommendations for five-year renewals shall be based on the locality's performance of its enterprise zone responsibilities, the continued need for such a zone, and its effectiveness in creating jobs and capital investment.

In anticipation of the anniversaries of the enterprise zone's designation renewal, the locality will be asked to submit information through the Centralized Application Management System (CAMS). Local Zone Administrators will be notified ahead of time when they are required to submit a renewal application.



The screenshot shows the DHCD CAMS website interface. At the top, there is a navigation bar with links for Program Search, Registration, Login, and User Guide. Below the navigation bar, a welcome message reads: "Welcome to the Virginia Department of Housing and Community Development's Centralized Application and Management System!". A note instructs users to use the navigation bar for program searches or registration. For users with a CAMS profile, there is a login section with fields for E-mail* and Password*, and a Log In button.

Evaluation

Evaluated based on responses to 4 sections, which include both quantitative and qualitative information/factors.

400 points total

Scored Sections:

Narrative (200 points)

Impact (100 points)

Distress (100 point scale)

Additional Consideration (75 points)

*Must be above a threshold of 250 points to be considered for recommendation





Enterprise Zone Renewal Request (V4)

* Indicates a required field.

Zone Administration

1) Highest Elected Official *

2) Chief Administrative Officer (CAO) *

CAO for the locality (not administering organization).

Please list the Highest Elected Official and the Chief Administrative Officer for the locality. This may be different than the organization that administers the program locally.

3) Local Zone Administrator *

Please list the Local Zone Administrator (LZA) responsible for day-to-day operations of the local Enterprise Zone Program. This should be the same individual that certifies the state incentive applications.

4) Zone Description *

The Carroll enterprise zone is part of joint zone 27 with Grayson County and City of Galax. It consists of 3,658 acres and includes three non-contiguous zones. The zone contains two major commercial developments, three industrial areas, and Downtown Hillsville.

Please provide the current Zone Description. This description should be updated to reflect any 2023 amendments. To find the zone's most recent Zone Description, please see the previous calendar year Annual Report in CAMS.

Zone Characteristics

1) Zone Size Guidelines Utilized *

Please indicate the zone size guidelines utilized to establish zone size. If zone sizes guidelines are based on 7% of the locality's land area or 7% of the locality's population.

2) Zone Acreage

3) Acreage of Area 1 *

4) Acreage of Area 2 *

5) Acreage of Area 3 *

Each zone may have up to 3 noncontiguous areas of acreage. The total acreage in Area 1, 2, and 3 should be equal to the total acreage listed for the zone. If the locality has fewer than 3 areas, please enter 0 in the applicable box.

6) Total Locality Land Area

Required only if zone size is based on 7% of Total Land Area.

7) Zone Population

8) Total Locality Population

Required only if zone size is based on 7% of Total Population.



| NARRATIVE |

200 points out of total 400 points

Based on responses to questions regarding:

- local need
- zone impact
- locality's capacity to implement

Opportunity for the locality to discuss:

- factors (positive and negative) which may have influenced past performance
- opportunities for improvement

Data regarding state incentive utilization since designation has been sent to each locality.





Key Economic Conditions / Challenges & Ongoing Need

- unemployment rates
- distress score
- recent closures/openings/expansions
- poverty level
- main employers
- workforce
- loss of industry
- aging population
- infrastructure
- education
- average wage earnings

Sources: Chmura Economics and Analytics, JobsEQ, EMSI.

How do these conditions and challenges demonstrate the need for the EZ designation? *(include in your response)*

■ NARRATIVE | Locality Need

Community & Economic Development Goals

- increasing business retention and expansion
- attracting a specific industry
- improving site readiness
- improving infrastructure
- upcoming development
- investment in a specific area of the zone/locality

Changes to Community Goals since Designation Application

(may be similar to the goals listed above)

Boundary & Incentive Amendment History

- list any amendments that have taken place in the zone since designation or the last renewal (include the year)
- describe boundary adjustments
- list incentive changes



IMPACT |

100 points out of total 400 points

Evaluated based on the population of the zone locality.

Using 2020 population estimates, each zone locality has been classified in accordance with the Census Bureau's definitions.

Data regarding state incentive utilization since designation will be sent to each locality.

The median state incentive qualification for each classification during the past 5 years will be calculated by DHCD and sent to each locality.

- Above the median=100 points
- Median achieved=50 points
- Below the median=25 points
- No utilization=0 points

Census Bureau Definitions

Metropolitan	50,000 or more
Micropolitan	10,000-49,999
Rural	Less than 10,000

IMPACT | Zone Impact



Conditions within EZ Boundaries

-How have conditions within the zone boundaries evolved over the past 10 years?

Local Incentive Utilization & Impact

-What has been the impact of offering local EZ incentives?
-Please describe local incentive utilization during the past 5 years.

Economic Development Announcements

-Have there been any recent or will there be any upcoming economic development announcements (from the locality, VEDP, or the Governor)?
-How will these businesses benefit from the state EZ incentives?
-Please provide documentation (including a timeline) and a copy of the press release if possible. Please indicate where confidential.

IMPACT | Zone Impact

State Incentive Effectiveness & Impact

- What has been the state incentives' past effectiveness in encouraging job creation and private investment?
- What impact have the state incentives had on local economic conditions?
- Please review the 5-year state incentive utilization data provided by DHCD for your locality.

Zone Impact on Business Recruitment, Retention, Expansion Efforts

- How has the availability of EZ local incentives played a role in the locality's BRE efforts?
- Please identify specific businesses that have located or expanded or key projects that have been completed due to the availability of the incentives (state and local).





Additional Local Community & Economic Development Resources

- What other business or development incentives are available within the EZ?
- Describe any funding sources or programs (public/private) that the community has been able to leverage because of the EZ program.

Areas of Growth & Investment

- Where will the community make additional public improvements or experience ongoing growth (by location and industry)?
- Are these areas currently within the boundaries of the EZ?
- If so, how will the EZ affect those efforts? If not, why?


Opportunities for Improvement

- What are the opportunities to increase effectiveness, and how will they be addressed should the zone receive a 5-year extension?

IMPACT | Capacity to Implement

Zone Marketing Description & Attachment

- How is the zone marketed? Are marketing efforts directly identified business targets?
- What improvements could be made?
- Attach zipped folder with media marketing materials



Overview & Incentives

The Virginia Enterprise Zone (VEZ) Program is a state and local partnership and one of the most effective methods of using incentives to stimulate economic development through job creation and private investment. Newport News boasts two of these highly-coveted zones, VEZ #3 and #31.

- **VEZ #3 Newport News South** was designated in 2004, modified in 2016, and includes areas such as Oyster Point, Tech Center, Copeland Industrial Park, Downtown, Port Warwick, Hilton Village, Southeast Community, Seafood Industrial Park and City Center.
- **VEZ #31 Newport News North** was designated in 2015 and includes areas such as Carlton Farms, Peninsula Industrial Park, Patrick Henry Corridor, AirCommerce Park, Patrick Henry CommerCenter, Endview, Oakland Industrial Park and the Denbigh-Warwick area.
- While both zones offer identical state incentives, each zone's local incentives are tailored to its specific land use and development strategy.

State Resources

RPIG Qualifying Investments
See Page 10: tiny.cc/rpig-instruction

RPIG Manual, Requirements & Instructions
Download: tiny.cc/rpig-instruction

JCG Manual
Visit: tiny.cc/jcg-manual

State Incentives

The Virginia Department of Housing & Community Development manages the VEZ program and works closely with each Local Zone Administrator to ensure qualified employers and investors take full advantage of the two state incentives.

- Applications for state incentives are due on April 1st.
- Local Zone Administrators must sign each application to verify the business and/or property is in a VEZ.

Real Property Investment Grant (RPIG): an incentive for new construction or rehabilitation of commercial, industrial and/or mixed-use buildings.

- The RPIG is a cash grant equal to 20% of the amount of qualified investments in excess of the minimum threshold.
- Maximum benefit* within any five-year period is \$200,000 for projects of \$5+ million or more, and \$100,000 for projects less than \$5 million.
- To be eligible, an individual or entity must invest at least \$500,000 for new construction, and \$100,000 for rehabilitation projects.

■ DISTRESS SCORE

Up to 100 points

Calculated for each locality based on a combination of:

- locality's fiscal stress ranking
- unemployment rate
- median household income

These are the same criteria used to evaluate zone designation requests.

Distress scores will be provided to each locality renewing their zone by DHCD.



ADDITIONAL CONSIDERATION |

Up to 75 additional points

Consider recent or upcoming announcements within the zone boundaries from the Governor's office.

*Commonwealth of Virginia
Office of Governor Glenn Youngkin*

FOR IMMEDIATE RELEASE: May 3, 2023

Delta Star to Expand Operation in Virginia

Leading power transformer manufacturer to invest \$30.2 million to increase capacity in the City of Lynchburg, creating 149 new jobs

RICHMOND, VA – Governor Glenn Youngkin today announced that Delta Star, Inc., the largest, American-owned medium transformer manufacturer in the United States and the premier manufacturer of mobile transformers in North America, will invest \$30.2 million to expand its manufacturing and headquarters operation in the City of Lynchburg located at 3550 Mayflower Drive. The expansion involves a new 80,000 square feet of additional manufacturing space to support its mobile and power transformer operations to meet the increased demand of this growing and vital sector of the economy. The project also includes a 14,000-square-foot corporate building to consolidate headquarters and office function requirements. Virginia successfully competed with California and Pennsylvania for the project, which will create 149 new jobs.



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THANK YOU

| CONTACTS |

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