



## CITY OF NORFOLK LOCAL ENTERPRISE ZONE INCENTIVES

### Background

The Virginia Enterprise Zone program administered by the Department of Housing and Community Development (DHCD) was established to assist with business development and expansion in specifically targeted areas throughout the state called Enterprise Zones. The program is a partnership between the State of Virginia and the City of Norfolk to promote economic development through job creation and real property investment. Used in conjunction with other available local, state, and federal programs the Enterprise Zone can leverage private sector investment in targeted areas throughout the City of Norfolk. To determine if your property is within one of 14 designated zones and for additional information click on the following link: <https://norfolkdevelopment.com/resources/state-enterprise-zones/>

### Local Incentive (Businesses must be qualified by the Department of Economic Development)

Incentive	Eligibility	Type
Utility Tax Relief:	<b>Existing business:</b> \$100,000 in taxable investment within the zone <b>New business:</b> \$500,000 in taxable investment within the zone	This rebate is equal to a declining percentage rate of the local consumer tax paid for five-years after location or expansion. Business must be qualified, and taxes paid and documented. <b>The business must continue to file each year during the planned period or forfeit the tax reduction</b>
Business License Tax Relief:	<b>Existing business:</b> \$100,000 in taxable investment within the zone <b>New business:</b> \$500,000 in taxable investment within the zone	This rebate is equal to a declining percentage rate of the local consumer tax paid for five-years after location or expansion. Business must be qualified, and taxes paid and documented. <b>The business must continue to file each year during the planned period or forfeit the tax reduction</b>
Building Permit Fee Relief:	<b>Existing business:</b> \$100,000 in project cost as reported on their building permit application within the zone <b>New business:</b> \$500,000 in project cost as reported on their building permit application within the zone	A one-time 50% reduction on building, mechanical, plumbing, and electrical permits.
Tax Abatement Program for Renovation of Commercial and Industrial Structures	The commercial structure must be in the EZ and be at least 20 years old. Improvements to the structure must increase the property's assessed value by 40%.	This incentive offers taxpayers an opportunity to improve commercial/industrial structures and not pay full taxes on those improvements for 14 years. For more information click the following link: <a href="https://www.norfolk.gov/4816/Tax-Abatement-Program">https://www.norfolk.gov/4816/Tax-Abatement-Program</a>

Other Non-Cash Incentives	<p>Project or business must be within the Enterprise Zone</p> <p>Free formal training, Norfolk Redevelopment and Housing Authority technical assistance and meeting space. For more information click the following link:  <a href="https://norfolkdevelopment.com/wp-content/uploads/2019/08/Norfolk-Enterprise-Zone-Map.pdf">https://norfolkdevelopment.com/wp-content/uploads/2019/08/Norfolk-Enterprise-Zone-Map.pdf</a></p>
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**State Incentives through the Enterprise Zone**

<b>Incentive</b>	<b>Information</b>
Real Property Investment Grant (RPIG)	<p>Is available to investors that are undertaking rehabilitation, expansion, or new construction projects within the boundaries of an Enterprise Zone. For information on this program and eligibility requirements click the following link:  <a href="https://www.vedp.org/incentive/virginia-enterprise-zone-real-property-investment-grant">https://www.vedp.org/incentive/virginia-enterprise-zone-real-property-investment-grant</a></p>
Job Creation Grant	<p>Is a grant for businesses that is based on permanent full-time job creation over a four job threshold, wage rates of at least 175 percent of the Federal minimum wage (150 percent in HUAs*), and the availability of health benefits. Personal service, retail, food and beverage positions are not eligible to receive job creation grants. For information on this program and eligibility requirements click the following link:  <a href="https://www.vedp.org/incentive/virginia-enterprise-zone-job-creation-grant">https://www.vedp.org/incentive/virginia-enterprise-zone-job-creation-grant</a></p>