

CITY OF NORFOLK - ENTERPRISE ZONE INCENTIVE INFORMATION

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 located in the Norfolk Enterprise Zone and for additional information, click on the following link: <https://norfolkdevelopment.com/resources/state-enterprise-zones/>.

Local Enterprise Zone Eligibility Requirements & Benefit Overview

Businesses are qualified by the Department of Economic Development.

INCENTIVE	ELIGIBILITY	BENEFIT
Utility Tax Relief & Business License Tax Relief	To qualify, your investment must meet the following criteria: A. Minimum Taxable Investment - Existing Business: at least \$100,000 in taxable investment within the zone - New Business: at least \$500,000 in taxable investment within the zone. B. Incentive Value Threshold* Annual tax relief must not exceed the net new tax benefit generated for the City from the firm's investment.	This rebate is equal to a declining percentage rate of the local consumer tax paid for up to five years upon approval. Business must be qualified, and taxes paid and documented. The business must continue to file each year during the approved period or forfeit the tax reduction.
Building Permit Fee Relief	To qualify, your investment must meet the following criteria: A. Minimum Taxable Investment - Existing Business: at least \$100,000 in project cost as reported on the building permit application within the zone - New Business: at least \$500,000 in project cost as reported on the building permit application within the zone B. Incentive Value Threshold* Estimated reduction must not exceed the projected net new tax revenue generated for the City from the firm's investment.	This is a one-time 50% reduction on building, mechanical, plumbing, and electrical permits.

Tax Abatement Program - Commercial & Industrial Structures	<p>To qualify, the structure must be located within the Enterprise Zone, be at least 20 years old, and improvements to the structure must increase the property's assessed value by at least 40%. Additionally, all improvements must be completed within three years from the date of the approval letter.</p> <p>For additional rules & regulations, click below: www.norfolk.gov/4816/tax-abatement-program</p>	<p>This incentive offers eligible taxpayers an opportunity to improve commercial/ industrial structures and not pay taxes on those improvements for 14 years.</p>
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* To be designated as a qualified business firm: total annual tax relief must not exceed the net new tax benefit generated for the City from the firm's new investment in that year. The firm may reapply in subsequent grant years using the same qualifying investment made in the first year, provided that the original investment continues to generate new tax revenues that exceed the amount of tax relief requested for the year of application.

State Enterprise Zone Benefit Overview

INCENTIVE	INFORMATION
Real Property Investment Grant (RPIG)	<p>Available to investors that are undertaking rehabilitation, expansion, or new construction projects within the boundaries of an Enterprise Zone.</p> <p>For full program details & eligibility requirements, please visit: Virginia Enterprise Zone – Real Property Investment Grant Virginia Economic Development Partnership (vedp.org)</p>
Job Creation Grant (JCG)	<p>A grant based on permanent full-time job creation over a four-job threshold, wage rates of at least 175% of the Federal minimum wage (150% in High Unemployment Areas), and the availability of health benefits. Personal service, retail, food and beverage positions are not eligible to receive job creation grants.</p> <p>For full program details & eligibility requirements, please visit: Virginia Enterprise Zone – Job Creation Grant Virginia Economic Development Partnership (vedp.org)</p>