ENTERPRISE ZONE

~Program Description~

Petersburg's Enterprise Zone Program is a Commonwealth of Virginia, economic development program managed by the Virginia Department of Housing and Community Development (DHCD). The State's Enterprise Zone Program is designed to offer state and local incentives for businesses to locate or expand within the designated zone areas.

~State Incentives~

Real Property Investment Grants

Real Property Investment Grants are available for investment made to industrial, commercial or mixed-use property in an enterprise zone. A mixed-use property is a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office or industrial use.

Real Property Investment Grants are available to qualified zone investors in amounts up to 30 percent of the total amount of qualified real property investment, not to exceed $250,000 per building or facility within a five-year period. For real property investments of $2 million or more, the grant is capped at $250,000 per building or facility within a five-year period. For real property investments less than $2 million, the grant is capped at $125,000 per building or facility within a five-year period.

Wage-Based Job Creation Grants

Wage-based job creation grants are offered for new permanent full-time positions created by business start-ups and expansions by existing firms. Wage-based job grants are available for all qualified business firms that are not local service, food/beverage or retail establishments. Wage-based job creation grants are available in amounts up to $500 per grant eligible position filled by an employee earning 175 percent of the federal minimum wage and up to $800 per grant eligible position filled by an employee earning 200 percent of the federal minimum wage. These positions must also be offered health benefits. Business firms are eligible to receive job grants for five consecutive calendar years from the first year of grant eligibility. Firms can receive wage-based job creation grants for up to 350 grant eligible positions per year. Positions that pay less than 175 percent of the federal minimum wage or that do not offer health benefits are not eligible for grants.

In order to qualify for wage-based job creation grants, the business firm must be located in a Virginia Enterprise Zone and must increase their permanent full-time positions by four permanent full-time threshold jobs over a base calendar year. Wage-based job creation grants are only available for the new permanent full-time position(s) created above this four-job threshold.

General Provisions

- Applications for the Real Property Investment Grants and Wage-Based Job Creation Grants must be submitted to the DHCD , Address Verification Forms must be submitted to the local zone administrator as well.
- Submittal dates and additional information can be obtained at dhcd.virginia.gov
- Should requests for tax grants exceed the state's annual available amount, each qualified business will receive a prorated portion. Grants shall be counted against the cap for the fiscal year in which the grant was allocated.

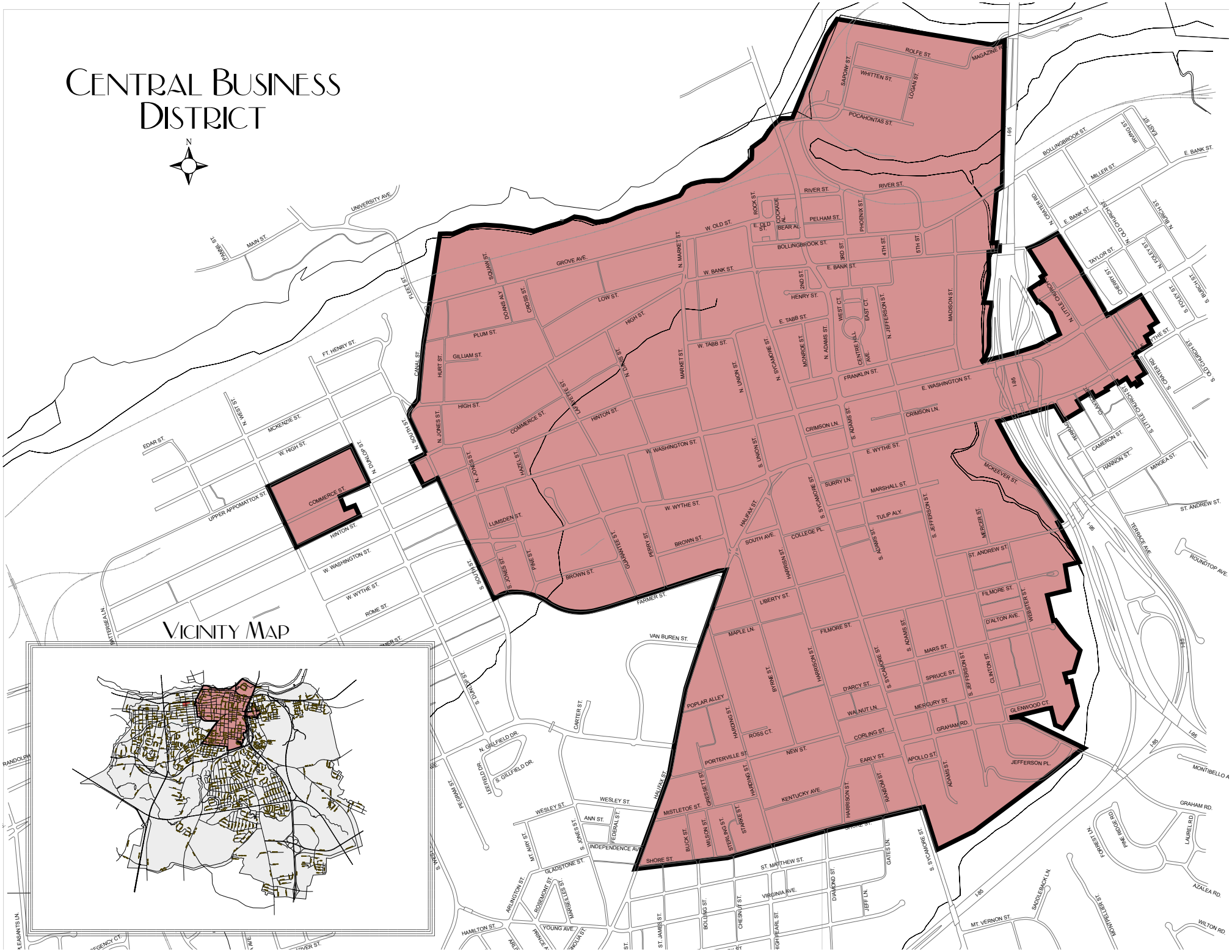
~ Local Incentives ~

Local incentives have been established to complement and enhance the state enterprise zone incentives. Examples of local incentives offered by the City of Petersburg include:

- Facade Improvement Grant
- Architectural Assistance Grant
- Tap Fee Reduction
- Enhancement to Real Estate Rehabilitation Tax Exemption (extended exemption period, waiver of certain permit fees, and increased limit on waiver amount .)
- Machinery and Tool Tax Reduction
- Discounted purchase price of City-owed Industrial Sites

For more detailed information concerning a local incentive, including eligibility criteria, boundaries and deadlines, contact the

Office of Economic Development
400 E. Washington Street
Petersburg, Virginia 23803
(804) 733-2352
www.petersburg-va.org/econdev/

PETERSBURG VIRGINIA ENTERPRISE ZONE CBD

Central Business District