GRANT YEAR 2012 ANNUAL REPORT

VIRGINIA ENTERPRISE ZONES

Virginia Department of Housing and Community Development

Keller America was the recipient of a Grant Year 2012 Real Property Investment Grant for the construction of their new facility in the city of Newport News. The building is heated and cooled entirely by geothermal means, resulting in a very small carbon footprint. The building was designed by Leon K. Smith of Newport News and was constructed by Fjord Construction of Yorktown. Keller America manufactures instruments for converting pressure into electrical signals, which can then be used to control a process or record an event.

Virginia Enterprise Zones

VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

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REQUEST FOR INCENTIVES

12 applications for pre-2005 tax credits

215 applicants qualified for Enterprise Zone incentives

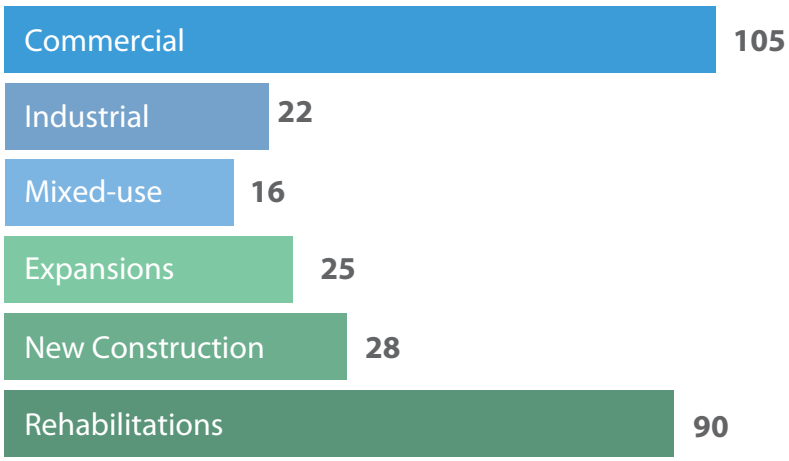
203 Enterprise Zone grants awarded

188 businesses and investors received grant incentives

REAL PROPERTY INVESTMENT GRANT

143 Zone Investors received **$11,245,731**

$178,758,938.34 in qualified real property investments were spent on the following properties



JOB CREATION GRANT

60 businesses received **$2,904,269**

1,718 net new full-time jobs were created

GENERAL INCOME TAX CREDIT

businesses received **$1,884,925.87**

ENTERPRISE ZONE PROGRAM OVERVIEW

The Virginia Enterprise Zone (VEZ) Program is a partnership between state and local government to promote economic development through job creation and real property investment. When used in conjunction with other local, state, and federal programs, enterprise zones can leverage 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. The 2005 Act provides for the implementation of specific community economic development policy: 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 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 invest in real property before applying for grant awards. However, the Act also allows grandfathered firms continued access to 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. For new construction projects, a zone investor must 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 2012, the typical RPIG grantee invested in the rehabilitation of an existing commercial building that they owned and occupied. On average they invested approximately $98,000 in the project and received an average grant award of $70,712.

Job Creation Grant (JCG) awards up to $500 per year for each net new, permanent full-time position created above a four-position threshold, earning at least 175 percent of the federal minimum wage (currently $12.69/hour) with offered health benefits. Positions earning at least 200 percent of the federal minimum wage (currently $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)[1] may

[1] HUAs are localities with an unemployment rate at least 150 percent higher than the state average.

qualify for the JCG at a reduced wage threshold. High Unemployment Areas 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 (currently $10.88) for the $500 grant per eligible position. A list of the 2012 HUA zones is included in the Appendix.

In grant year 2012, the typical JCG grantee was an existing manufacturing firm that expanded existing operations in Virginia and created 77 net new jobs on average. The typical grantee received on average $46,054 in grant funds.

LEGISLATIVE OVERVIEW

In 2012, the General Assembly amended the Enterprise Zone statute to allow business firms to apply for the Enterprise Zone Job Creation Grant, as well as the Major Business Facility Job Tax Credit. Firms may not use the same job to qualify for the Job Creation Grant and the Major Business Facility Job Tax Credit. Previously, firms were not allowed to apply for both the JCG and the tax credit. This benefits firms where job creation is occurring in zone and non-zone locations. It also provides flexibility to choose incentives that best fit a firm's stage of development. Newly created companies may prefer cash and therefore would opt to qualify for the JCG. Later expansions, when the company has more tax liability, may be better incentivized by a tax credit.

Looking ahead, the 2013 General Assembly passed legislation to allow for the redesignation of certain joint enterprise zones in cases where an additional locality was added during the term of an existing enterprise zone. The intent is to ensure that all localities in the joint zone receive the full 20-year designation period. This will be discussed in more detail in the 2013 Annual Report.

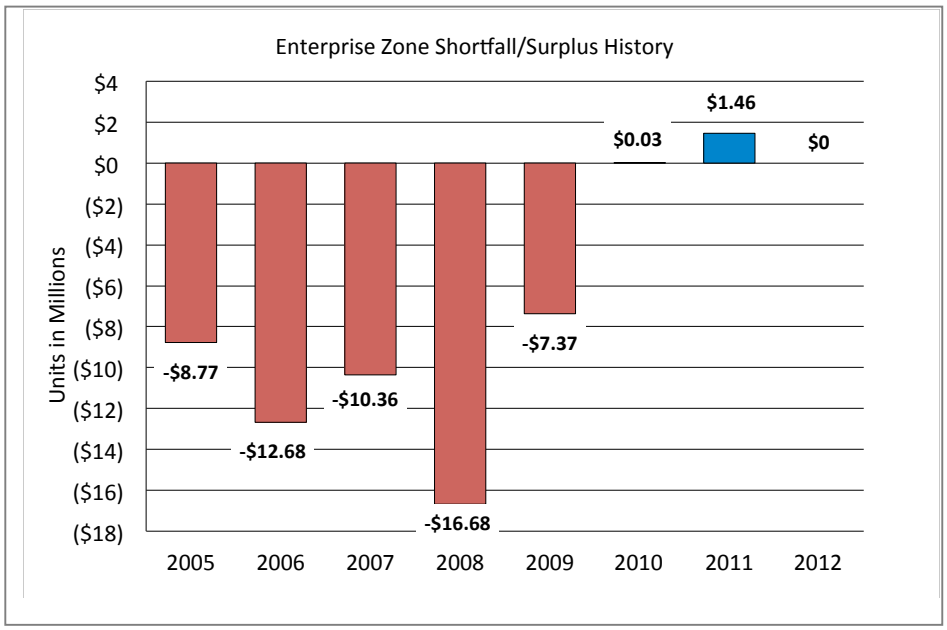
ENTERPRISE ZONE GRANTS – 2012 USAGE OVERVIEW

For the 2012 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, 188 businesses and zone investors received a total of 203 grant incentives and 12 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, 2011, and 2012 are notably lower than grant years 2005-2009. The first five years of the program coincided with the build-up of the real estate boom and during that time businesses were eligible for grants that far exceeded the funding allocation, leading to annual proration. Lagging a year or so behind the onset of the Great Recession due to the program's application deadlines, incentive usage dropped in 2010 and proration has no longer been necessary. This decline also reflects the impact of 2009 legislation to raise the threshold of qualification for the RPIG to help address the growing concern about proration. Grant year 2012 marks the third consecutive funding round to be awarded in full since 2005 (Figure 1).

Despite being far below the pre-recession submission levels, the number of grant applications has continuously increased over the past three years. Grant Year 2012 saw a 2 percent increase in grant applications over the previous year for a total increase of 19 percent since GY 2010. This is due to an increase in both JCG and RPIG applications; however, RPIG applications make up a large proportion of annual grant requests, such that any slow-down or increase in construction activity will have an impact on the total number of grant requests. A 2010 legislative change protects the JCG awards from proration by giving them payment priority. This potentially increases the likelihood that the RPIG payments could once again be prorated at the point in time when the economic recovery can generate strong increases in job creation and private investment.

Figure 1: Proration History by Grant Year



2012 REAL PROPERTY INVESTMENT GRANT

Since the inception of the grant program in 2005, the RPIG has consistently been used more heavily than the JCG, and represents the largest percentage of the requested amounts. After a period of steady decline in total RPIG requests from GY 2006 (94 percent) through GY 2010 (78 percent), GY 2012 RPIG requests are maintaining the slight upswing first seen in GY 2011 (79 percent of total requests) by sustaining this rate with the increase of just one request between GY 2011 (142) and GY 2012 (143).

143 zone investors invested $178.7 million and received $11,245,731 in Real Property Investment Grants.

The dollar amount of total real property investment in GY 2012 remained relatively consistent with the previous grant year. Although total investment in GY 2012 is slightly higher than GY 2011, GY 2012 continued an overall decline in real property investment that began in GY 2010. The total reported real property investment in GY 2012 was $178,758,938.34, an increase of approximately $305 thousand from the previous year. While this increase is a positive indicator, investment levels still remain $322 million below the programs peak investment of $500 million in GY 2009. GY 2009's staggering investment levels can likely be attributed to the completion of projects started before the onset of the recession as RPIG requests follow larger economic trends, but typically lag these trends by one or more years due to the performance-based nature of the grant. Therefore, VEZ activity does not necessarily coincide with current development conditions. As a result, it is likely that the GY 2012 numbers are continuing to reflect the slowdown in investment during and after the recession but can be expected to pick up in upcoming years as construction activities rebound.

Qualified Real Property Investment Ranges

The 2012 grant round encompassed individual investments ranging from a low of $125,583.34 to a high of $10.65 million for the expansion of a health care facility in Henrico County. This represents a slight increase from GY 2011's highest individual investment of $8.5 million. Below, Figure 2 shows the distribution of the investment ranges for RPIG applicants over the life of the grant program. Changes in the distribution from one year to the next often reflect changes in eligibility thresholds or other parameters based on General Assembly action. For example,

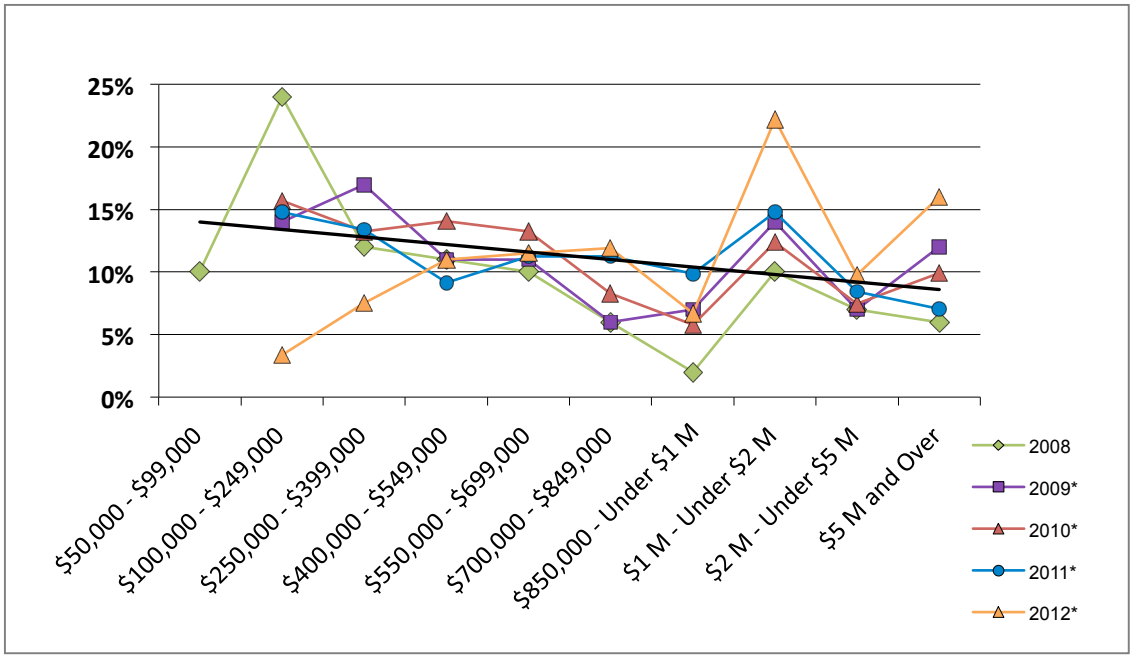
Figure 2: Qualified Real Property Investment Ranges

Qualified Real Property Investment Ranges								
Investment	**2005**	**2006**	**2007**	**2008**	**2009***	**2010***	**2011***	**2012***
$50 K - $99 K	10%	13%	13%	10%				
$100 K - $249 K	20%	20%	21%	24%	14%	16%	15%	3%
$250 K - $399 K	18%	10%	14%	12%	17%	13%	13%	8%
$400 K - $549 K	15%	13%	13%	11%	11%	14%	9%	11%
$550 K - $699 K	7%	8%	9%	10%	11%	13%	11%	12%
$700 K - $849 K	3%	3%	4%	6%	6%	8%	11%	12%
$850 K - Under $1 M	4%	5%	4%	2%	7%	6%	10%	7%
$1 M - Under $2 M	9%	9%	10%	10%	14%	12%	15%	22%
$2 M - Under $5 M	13%	15%	7%	7%	7%	7%	8%	10%
$5 M and Over	1%	3%	6%	6%	12%	10%	7%	16%
Total	100%	100%	100%	100%	100%	100%	100%	100%
** Grants are no longer available on less than $100,000 of investment*								

there is no data between 2009 and 2012 for projects in the $50,000-100,000 range because as of 2009, projects of this size no longer qualify for the RPIG based on an amendment to EZ legislation. The legislation increased the minimum eligibility threshold from $50,000 to $100,000 and introduced the current practice of calculating grant awards based on the investment made in excess of the minimum eligibility thresholds.

Although it is difficult to predict trends as numbers tend to fluctuate year-to-year, GY 2012 saw a shift from smaller, less expensive projects to more expensive projects as seen by Figure 2. Specifically, over the previous grant year the percentage of projects in the $100,000 - $249,000 range decreased by 12 percent, and the ranges of projects between $1 million and $5 million or more in investment all experienced increases. However, below, Figure 3 indicates that outside of legislative changes there is still relative consistency in the distribution of RPIG investment amounts over time. It shows that over the past five years, all levels of zone investment have experienced economic peaks and valleys in the same way, albeit with differing magnitudes. The large increase in the number of applications submitted for projects with investment between $1 million and $1.99 million in 2012 looks dramatic on the graph below, but is simply due to the particular mix of firms that applied in 2012 over any other sub-trend.

Figure 3: Percentage of Real Property Investment Applications by Investment Range



Type of Qualified Real Property

The RPIG is available for investments made to commercial, industrial or mixed use[2] properties. Improvements made to office space falls under the commercial category. As seen in Figure 4, commercial projects are consistently the largest proportion of RPIG applications. However, between

[2] Mixed use is defined by EZ statute as 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.

grant years 2007 and 2010, applications for commercial projects reached a plateau and began a steady decline. GY 2011 marked the first net increase in four years and GY 2012 is continuing on this upward trend.

Although there were significantly more applications submitted for commercial projects (105) compared to industrial (22) and mixed use projects (16), the average GY 2012 grant awards were fairly similar across all uses. Industrial projects lead with the highest average grant award of $90,552 followed by commercial project awards with an average of $77,874. The average annual award for mixed use projects is the lowest of the three categories with an average grant award of $67,296.

Figure 4: Applications by Use of Real Property 2005 – 2012

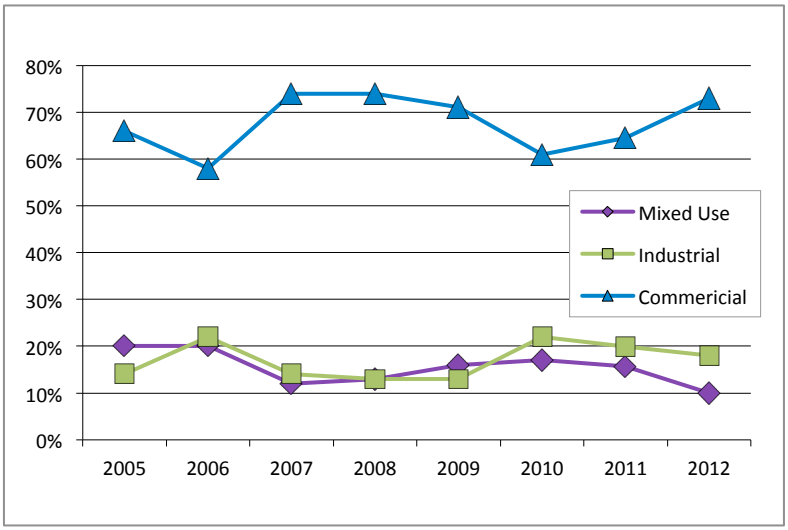
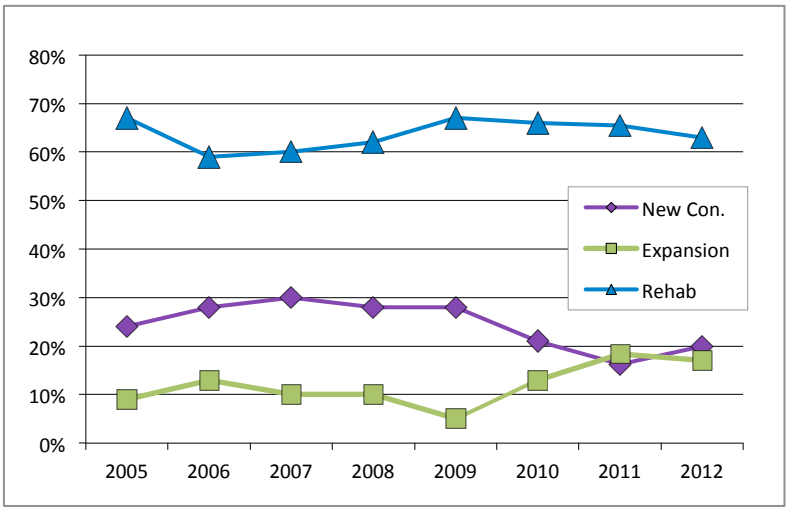


Figure 4 also shows that after a return to pre-recession levels in GY 2010, the number of applications for industrial projects has continued to decline in GY 2012. Similarly, mixed use projects; an effective approach to revitalizing city centers, were previously showing a rebound but have also decreased over the last two grant years. Incremental growth in these categories can be anticipated with increases in economic certainty.

Applications by Type of Real Property Investment

Real Property Investment Grants are available for new construction, rehabilitation and expansion activities within the boundaries of enterprise zones. Figure 5 illustrates the rates per type of real property investment made between 2005 and 2012. As seen, the trends of requests by type have remained relatively consistent since 2005. For GY 2012, rehabilitation projects accounted for the vast majority of RPIG applications (63 percent) and 57 percent of the grant funds awarded. New construction followed with 20 percent of the applications, and 24 percent of funds awarded. In GY 2012, expansion projects accounted for 17 percent of the total number of applications and 19 percent of awarded grant funds. Despite the relative consistency among these categories, Figure 5 also displays the impact of the recession

Figure 5: Request Amount by Real Property Investment Type

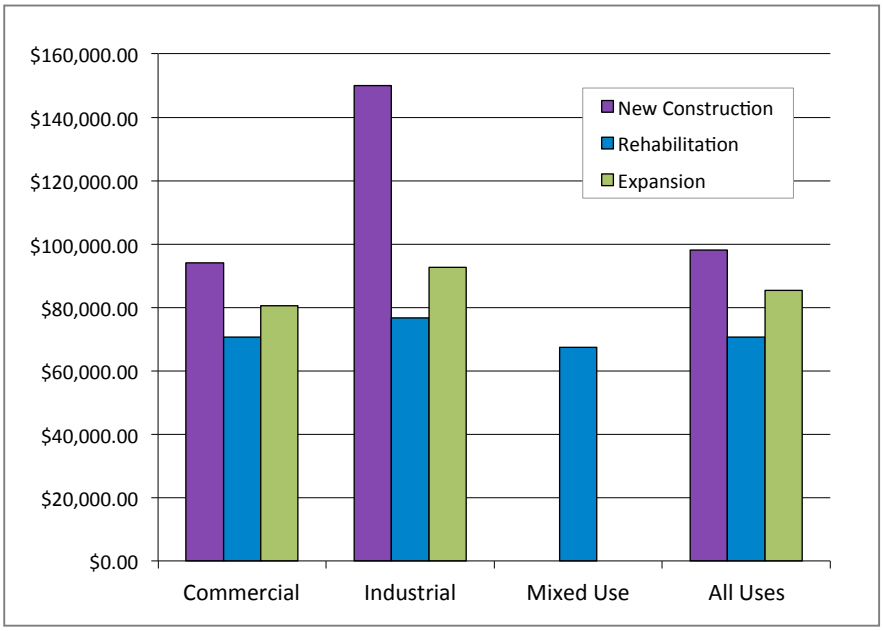


on new construction projects as seen by the sharp decline between 2009 and 2011. However, GY 2012 saw a slight increase in the number of new construction projects and may mark the first year of an upward trend. Out of the three categories, expansion projects are the only to have shown a steady increase in activity in recent years. However, this trend appears to have reached a plateau in GY 2012. For the most part, these trends coincide with national trends of slow, incremental growth in the years after the recession.

Average Award Based on Type of Real Property Investment

As seen in Figure 6, the type of real property investment has a more significant impact on the size of the average grant award than the category of real property. Across all applications, new construction projects had the highest average award of $98,081. Expansion projects had an average grant award of $85,412, and rehabilitation projects had the lowest average award with $70,712. The average new construction grant award was nearly 39 percent larger than the average rehabilitation grant. Thus, on average, the state received fewer but larger grant requests for new construction and expansion projects (53 total), and more frequent but smaller requests for rehabilitation projects (90 total). Applications for the new construction of industrial properties received the largest average grant award of $150,000. This was followed by new construction of commercial properties with an average grant award of $94,087. The average grant awards for rehabilitation applications were fairly similar across all three uses, hovering around $70,000, with the rehabilitation of industrial projects being slightly larger than the other uses. In GY 2012, all mixed use projects involved the rehabilitation of existing buildings.

Figure 6: Average RPIG Award by Type and Use 2012

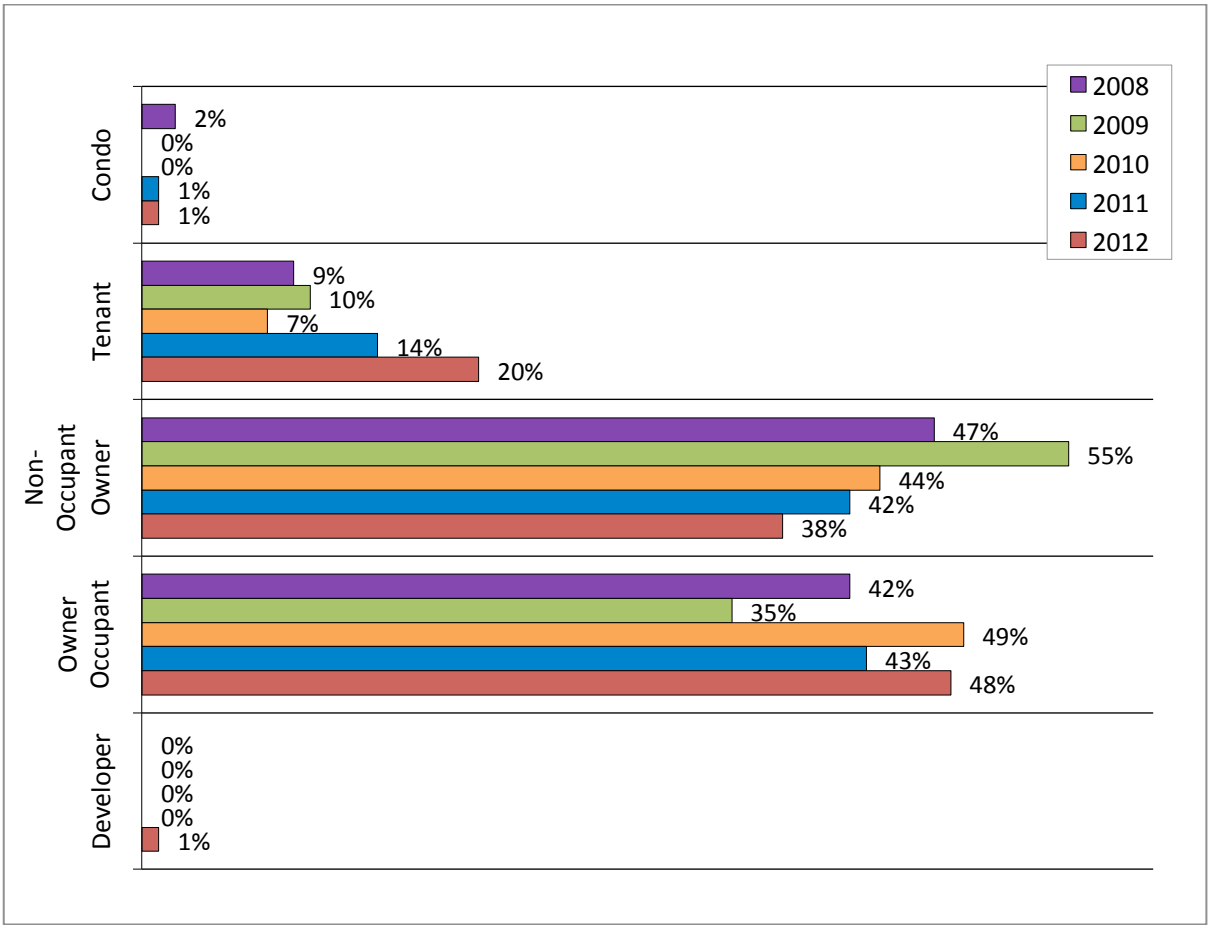


Qualified Zone Investors

Eligible zone investors may be property owners (occupant or non-occupant), owners of space in a building (condo), tenants who have capitalized their own improvements, or developers. Although there has been some slight variation over the last three years, owner-occupant applicants continue to be the largest group of grantees, accounting for 48 percent of GY 2012 RPIG applications. Non-occupant owners came in second for the third year in a row with 38 percent of GY 2012 applications. The owner-occupant category experienced a 5 percent increase from GY 2011 to GY 2012 while non-occupant owner applications fell 4 percent in the last year (Figure 7). The overall increase in investments to owner-occupied property could reflect a cautious approach by financial institutions to providing capital

to real estate projects as well as the fact that the supply of pre-recession general commercial real estate is still being absorbed by the market.

Figure 7: Types of RPIG Zone Investors 2008-2012

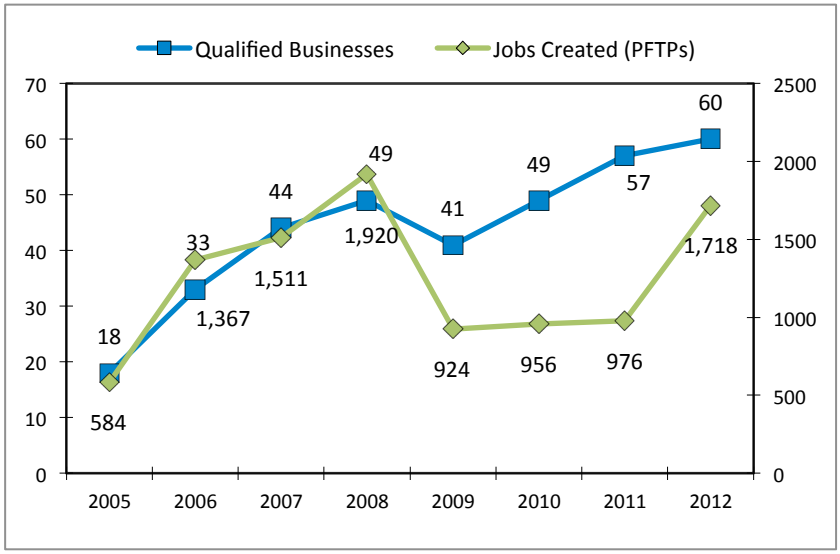


2012 JOB CREATION GRANT

The Department received 60 applications for Job Creation Grants in GY 2012, accounting for $2,904,269 in JCG awards and representing approximately 20.5 percent of overall grant requests. With the exception of a recession-related dip in GY 2009, the number of JCG applications has steadily increased since the inception of the grant program in 2005. However, as Figure 8 shows, actual job creation was not rebounding as quickly until GY 2012. Over the previous grant year, GY 2012 saw a more than 75 percent increase in the number of jobs applied for coming from just a 5 percent increase in JCG applicants. Due to large increases in employment by several zone businesses, net job creation has been restored to pre-recession levels for the first time in three years. The top four businesses that experienced the most significant job growth were in the *Professional, Scientific, and Technical Services,* as well as various M*anufacturing* sectors, including transportation equipment manufacturing and paper manufacturing. As a result, the average number of jobs created per firm has also increased; from 17 net new positions in GY 2011 to 28 net new positions in GY 2012. However, this increase is likely skewed due to the net job creation of those select few businesses mentioned earlier as compared to significant declines in net job creation in previous grant years. Three of these top four businesses are located in High Unemployment Area zones. Figure 9 shows the list of HUA zones that had firms qualify for the JCG under the reduced wage-rate threshold in GY 2012.

60 businesses created 1,718 net new jobs and received over $2.9 million in grants.

Figure 8: Qualified Job Creation Grant Activity 2005-2012



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 or higher). Positions earning 200 percent or more of the federal minimum wage ($14.50 or higher) are eligible for a grant of $800. GY 2012 was the third year enterprise zone localities designated as a High Unemployment Areas (HUAs) received special provisions. Under these provisions, firms located in HUAs are able to qualify for the $500 per

position grant based on wages equal to 150 percent of the federal minimum wage, or $10.88 per hour. In GY 2012, 17 percent of the 23 enterprise zone localities with an HUA designation had firms apply for the JCG. A total of 10 firms from the following four HUA localities qualified for the JCG based on the reduced wage-rate threshold: the city of Danville, Halifax County, Henry County, and the city of Martinsville. Eight of the ten firms were expanding existing operations in Virginia, one was a start-up and one was the result of relocation from outside of the state. Refer to Appendix E for the complete list of GY 2012 HUA zones.

Figure 9: Firms in HUA Localities Qualifying Under the Reduced Wage-Rate Threshold

Qualifying Firms in HUA Localities		
HUA Locality	**Applicant Firms**	**Percent of total HUA Applications**
City of Danville	3	30%
Halifax County	3	30%
Henry County	3	30%
City of Martinsville	1	10%

Usage by Sector

The status quo persisted in GY 2012 in the number of JCG applications for the majority of business sectors. *Information* and *Professional and Scientific Services*, *Administration & Support/Waste Management & Remediation,* and *Wholesale Trade* sectors were the exception. The first two sectors saw an increase in applications and the *Wholesale Trade* sector continued the decline in application submittal. As seen in Figure 10 below, firms in the *Manufacturing* sector continue to submit the majority of JCG applications annually. An analysis of job creation per sector reveals that the majority of net new positions were added by businesses involved in furniture and related product manufacturing, paper manufacturing, and professional, scientific, and technical services activities.

Figure 10: Sector Type of Qualified Job Creation Grant Firms

Job Creation Grant Qualified Firms										
Type of Business Firm	**2008**		**2009**		**2010**		**2011**		**2012**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Construction	3	6%	0	0%	2	4%	1	2%	1	2%
Health Care/Social Assistance	1	2%	3	7%	5	10%	3	5%	3	5%
Information	2	4%	2	5%	3	6%	2	4%	3	5%
Manufacturing	29	59%	25	61%	22	45%	30	53%	32	53%
Other Services	1	2%	0	0%	0	0%	3	5%	2	3%
Professional/Scientific Services	4	8%	5	12%	9	18%	9	16%	12	20%
Transport/Warehousing	2	4%	1	2%	1	2%	3	5%	3	5%
Wholesale Trade	5	10%	4	10%	5	10%	5	9%	2	3%
Admin. & Support and Waste Mgmt. & Remediation	2	4%	1	2%	2	4%	1	2%	2	3%
Total	**49**		**41**		**49**		**57**		**60**	

LOCAL ENTERPRISE ZONES

The Commonwealth's 57 enterprise zones encompass approximately 260 square miles and include boundaries in over 70 different localities. Of the 57 zones, 19 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.

Two enterprise zones reached their expiration dates during grant year 2012. The City of Richmond's South zone expired based on the completion of their original 20-year designation period and Scott County's zone was terminated due to inactivity[4]. In cases of zone expiration and termination the available zone designations are filled through a competitive application process conducted by DHCD. DHCD held workshops to inform interested localities about the designation application process in July 2012 and applications were due October 1, 2012. Staff from DHCD and the Virginia Economic Development Partnership (VEDP) reviewed the submitted applications and made recommendations to the Governor to designate a zone in the City of Richmond and a joint zone between Greensville County and the City of Emporia. The designation of these two zones brought the total number of zones designated since the passage of the 2005 Act to 17, leaving 13 zone designations available under the Act's 30-zone limit. Looking ahead, four zones are due to expire in 2013, five zones are due to expire in 2014, and 14 zones are due to expire in 2015. The 30-zone cap (established under the 2005 EZ Grant Act) will be reached during the 2016 designation round that will be held in calendar year 2015. Under the 2005 EZ 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.

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 2008-2012
- Appendix C: Report on Local Incentives
- Appendix D: Enterprise Zone Maps
    - GY 2012 Enterprise Zones
    - GY 2012 State Incentive Qualification per Zone
- Appendix E: 2012 High Unemployment Areas

[4] DHCD has statutory authority to terminate zone designation in cases where no business firms have qualified for state EZ incentives within a five year period.

APPENDIX A: ZONE HIGHLIGHTS

Accomack County/Northampton County

- Riverside Shore Memorial Hospital declared their intention to construct a new facility in Accomack County.

Chesterfield County

- GeauxEnergy, LLC has invested $18 million in their zone location and added 58 new employees.
- Wako Chemical USA added a new line to its facility, investing $600,000.
- NB Goodwyn & Sons has relocated to a zone location. The company invested $500,000 in the new facility and anticipates adding a total of 30 new employees.

Danville, City of

- Hybrid Vehicles of Danville, Inc. announced that it would locate its new manufacturing facility and headquarters in Danville. Hybrid plans to employ at least 150 employees and invest at least $1.5 million over the next three years.
- Web Parts, LLC announced that it would relocate its computer programming, applications, and data center operations to Danville from Guatemala. The company plans to fill 260 positions over the next three years with an investment of $10 million.
- Norhurst Inc. announced that it had purchased the former Dan River Executive Campus to expand its operations and relocate several key positions from Northern Virginia. The project will result in 108 new jobs and approximately $2.3 million in capital investment.

Dinwiddie County

- US Rio, LP (Amazon) invested nearly $50 million to construct a 1.1 million sq. ft. fulfillment facility in the Dinwiddie County Commerce Park, resulting in approximately 350 new jobs.

Franklin, City of/Southampton County /Isle of Wight County

- Green Mountain Coffee Rosters purchased a 30-acre tract of land in Isle of Wight including a 329,000 sq. ft. building and announced plans to invest $180 million and ultimately employ at least 800 people.
- International Paper announced it would repurpose part of its shuttered paper mill for the manufacturing of fluff pulp. The company plans to invest approximately $83 million in capital improvements to the mill and employ 200 people.
- ST Tissue LLC of Maryland opened a recycling plant and will invest $60 million for its operation to convert waste paper into napkins and towels. The project will create 85 jobs.

Hampton, City of

- Proton Systems, LLC invested $1.8 million in the purchase and renovation of a 10,078 sq. ft. facility in the Langley Research & Development Park.

- Advex Corporation invested $3.8 million in the renovation and 10,000 sq. ft. addition to its facility in the Langley Research and Development Park and created 34 new jobs.

Henrico County

- Forest Medical Office Building, LLC (in association with St. Mary's Reynolds Crossing facility & Bon Secours Richmond Health System), invested more than $10.65 million to construct a 64,000 sq. ft. medical office facility. The facility contains a retail pharmacy and several multi-specialty physician practices.
- Atlanta-based, Floor and Décor, announced plans to rehabilitate an 80,000 sq. ft. vacant retail facility to expand their commercial operation in Virginia. The company anticipates hiring approximately 50 employees.

Henry County/Martinsville, City of

- Commonwealth Laminating & Coating, Inc. announced it would invest $5.43 million to expand operations in the Patriot Center at Beaver Creek and add approximately 60 new jobs.
- eBay, Inc. and subsidiaries announced it would expand its operations in Henry County by investing $1.5 million in machinery and equipment and creating 61 new jobs. This expansion is located in a portion of an existing facility that had been vacant for a number of years.

Lynchburg, City of

- Belvac Production Machinery, Inc. completed the construction of a 32,195 sq. ft. facility, investing $5 million in capital improvements and machinery & tools, and creating 60 new jobs.

Newport News, City of

- High Liner Foods announced plans to invest $6.6 million to expand operations of the former Icelandic USA foodservice production and expects to create 57 new jobs.
- Construction began on the Huntington Ingalls Apprentice School Project in downtown Newport News; a $70 million mixed use development. The project includes an 85,000 sq. foot Apprentice School, 197 market-rate/affordable apprentice and workforce housing units, 300,000 sq. ft. of retail, and a 382-space parking garage.

Norfolk, City of

- Over $800,000 in permits were issued to renovate the Virginia Renaissance Center (former Ford Plant) by Belgium-based Katoen Natie (KTN), a worldwide logistics and distribution company. Once fully staffed, KTN will have created 225 jobs at the site.
- Colonna's Shipyard continued to improve its property, investing more than $2.7 million to add an additional 22,770 sq. ft. structure.

Portsmouth, City of

- Bon Secours' Maryview Hospital completed two major projects; a $2 million, 10,000 sq. ft. ICU and an $8 million renovation of the Martha W. Davis Cancer Treatment Center.

Prince Edward County

- Tri-Boro Rack and Storage Products, LLC opened a $3 million manufacturing plant in the Prince Edward Business Park. Tri-Boro has committed to creating 25 new jobs over the next 36 months.

Prince George County

- Rolls-Royce announced plans for the construction of a second advanced manufacturing facility adjacent to the existing Crosspointe Center. The aerospace firm is investing $136 million to develop an advanced airfoil machining facility that will create 140 new, highly skilled jobs.

Pulaski County

- Phoenix Packaging continued their expansion, adding 100 employees and investing $20 million.

Rocky Mount, Town of

- Ply Gem Windows announced an expansion of employment and increased investment at its main production facility, anticipating the creation of 200 jobs and a large investment in equipment.
- Empire Foods continued its employment growth. Since opening in 2010, the decorated cake supplier has expanded from 85 employees to nearly 200.

Roanoke, City of

- Precision Steel has increased employment by 20 advanced manufacturing positions in the past year, hiring high skilled welders, machinists, fabricators and laser operators as well as support staff. The company has purchased a new building adjacent to their existing property which will allow for the expansion of their operation over time.
- Ground was broken on a new 103,000 sq. ft., $12.65 million FedEx Ground facility to process 50,000 packages per day. This expansion from the facility in Salem will transfer 75 jobs to the Roanoke facility with room for growth.
- Advanced Auto Parts added a financial services commercial customer care center to its corporate headquarters, representing an $8 million investment and 75 new jobs.

Staunton, City of

- Cadence, Inc. continued its expansion efforts by investing over $2 million in real property and adding nearly 60 JCG-eligible positions.

Wise County

- Miners Exchange Bank constructed a new building in the town of Wise, investing over $700,000.
- Southern Coal Sales Corp. invested nearly $1 million for the construction of a 10,000 sq. ft. facility in the Lonesome Pine Business and Technology Park for use as general office, conference, and engineering space.

APPENDIX B: STATE INCENTIVE USAGE BY ZONE 2008-2012

The zones below are sorted according to their designation/expiration dates:

Zone Information					Number of Incentives					Summary of 2012 Grants	
Zone #	Community	Acreage	Designation	Expiration	2012	2011	2010	2009	2008	$ Amt.	% of Total
19	City of Richmond (South)	3,368	1993	2012	3	3	5	11	19	$179,857	1%
20	City of Alexandria	690	1994	2013	0	0	0	1	0	$0	0%
21	Chesterfield County (Jefferson Davis)	3,840	1994	2013	1	2	2	2	8	$146,264	1%
23	Town of Rocky Mount	632	1994	2013	0	0	3	3	3	$0	0%
25	Pulaski County (Zone 1)	3,586	1994	2013	5	4	1	3	5	$326,412	2%
26	Accomack County	3,659	1995	2014	2	2	4	7	15	$60,640	0%
	Northampton County	2,765								$100,000	1%
27	Carroll County	3,828	1995	2014	1	0	0	0	0	$0	0%
	Town of Hillsville	315								$70,200	0%
29	City of Richmond (East)	3,133	1995	2014	5	5	29	8	10	$318,563	2%
30	Newport News (Mid-City)	3,149	1995	2014	4	7	4	8	7	$333,319	2%
31	Newport News (North)	3,214	1995	2014	1	6	1	3	9	$200,000	1%
32	Brunswick County	2,738	1996	2015	2	0	0	0	2	$0	0%
	Town of Lawrenceville	273								$163,493	1%
33	Chesterfield County (Walthall)	3,820	1996	2015	6	6	6	6	9	$766,652	5%
34	Greensville County	2,640	1996	2015	0	0	0	0	1	$0	0%
35	City of Hampton (Hampton Roads Center)	3,636	1996	2015	4	4	12	7	11	$208,912	1%
36	Henry County	3,840	1996	2015	6	6	5	3	11	$272,607	2%
	City of Martinsville	630								$102,600	1%
37	James City County	3,832	1996	2015	8	3	0	1	0	$491,767	3%
38	Mecklenburg County	2,486	1996	2015	0	2	0	0	3	$0	0%
	Town of South Hill	1,527								$0	0%
	Town of LaCrosse	556								$0	0%
39	Town of Orange	582	1996	2015	1	2	1	0	3	$58,602	0%
40	Pulaski County (New River)	3,719	1996	2015	0	3	1	1	3	$0	0%
41	Town of Pulaski	319	1996	2015	0	1	0	0	2	$0	0%
42	City of Roanoke (Zone 2)	1,372	1996	2015	4	3	4	4	6	$224,166	2%
44	Tazewell County	3,504	1996	2015	3	3	0	0	1	$132,507	1%
45	Warren County	2,074	1996	2015	0	0	0	0	1	$0	0%
46	City of Lynchburg (Lynchpin)	2,171	1996	2015	4	2	4	0	2	$423,256	3%

Zone Information					Number of Incentives					Summary of 2012 Grants	
Zone #	Community	Acreage	Designation	Expiration	2012	2011	2010	2009	2008	$ Amt.	% of Total
47	Dinwiddie County	3,029	1998	2017	1	2	1	1	2	$200,000	1%
	City of Petersburg	704								$0	0%
48	Charlotte County	772	2000	2019	3	4	2	2	5	$0	0%
	Lunenburg County	404								$0	0%
	Prince Edward County	2,609								$255,742	2%
49	Dickenson County	3,654	2000	2019	0	0	0	1	0	$0	0%
	Town of Clintwood	238								$0	0%
	Town of Haysi	162								$0	0%
50	Warsaw	903	2000	2019	3	4	0	2	2	$0	0%
	Lancaster County	3,021								$0	0%
	Northumberland County	2,471								$100,000	1%
	Richmond County	946								$0	0%
	Westmoreland County	2,826								$2,192	0%
	Town of Kilmarnock	213								$17,328	0%
51	Smyth County	3,572	2000	2019	7	4	3	4	6	$168,521	1%
	Washington County	2,876								$0	0%
	Town of Chilhowie	505								$97,754	1%
	Town of Glade Spring	289								$126,920	1%
53	Alleghany County	3,608	2001	2020	0	2	0	1	2	$0	0%
	Town of Clifton Forge	246								$0	0%
	City of Covington	639								$0	0%
54	Henry County	2,934	2001	2020	0	0	2	0	6	$0	0%
	City of Martinsville	527								$0	0%
55	Lunenburg County	364	2001	2020	0	1	0	0	0	$0	0%
	Town of Kenbridge	310								$0	0%
	Town of Victoria	220								$0	0%
56	Mecklenburg County	1,931	2001	2020	0	0	0	1	0	$0	0%
	Town of Clarksville	1,344								$0	0%
57	Pittsylvania County	3,428	2001	2020	7	4	6	5	7	$325,022	2%
	City of Danville	1,700								$224,800	2%
22	Patrick County	3,563	2002	2021	0	0	1	0	4	$0	0%
	Town of Stuart	176								$0	0%
28	City of Richmond (North)	3,840	2003	2022	21	30	26	44	67	$1,263,182	9%
	Henrico County	3,643								$508,939	4%

Zone Information					Number of Incentives					Summary of 2012 Grants	
Zone #	Community	Acreage	Designation	Expiration	2012	2011	2010	2009	2008	$ Amt.	% of Total
1	City of Danville	1,916	2004	2023	4	4	8	9	17	$180,268	1%
2	City of Lynchburg (Downtown 1)	2,216	2004	2023	6	6	19	20	28	$355,375	3%
3	Newport News (South)	3,741	2004	2023	21	16	17	19	11	$1,344,188	9%
5	City of Roanoke (Zone 1)	1,922	2004	2023	11	23	8	19	17	$984,790	7%
6	Smyth County	619	2004	2019	1	0	0	0	0	$0	0%
	Town of Saltville	351								$7,078	0%
8	City of Hampton (Urban)	3,233	2005*	2014	17	3	7	16	22	$965,989	7%
9	City of Hopewell	2,082	2005*	2014	0	0	0	0	1	$0	0%
10	City of Petersburg	922	2005*	2014	2	2	3	4	7	$300,000	2%
11	Wythe County	1,622	2005*	2014	0	2	2	3	2	$0	0%
12	City of Bedford	244	2005*	2014	2	0	0	0	5	$22,037	0%
13	City of Galax	619	2008*	2017	0	0	0	1	3	$0	0%
14	City of Waynesboro	608	2008*	2017	3	5	0	4	4	$41,702	0%
15	Halifax County/South Boston	2,853	2008*	2017	5	2	4	5	9	$175,582	1%
52	Wise County	3,808	2008*	2017	2	0	0	0	0	$143,508	1%
18	Franklin	878	2010*	2019	4	1	1	N/A	N/A	$131,634	1%
	Southampton	3,412								$100,000	1%
	Isle of Wight	2,438								$121,095	1%
4	City of Portsmouth	1,468	2010*	2019	5	2	7	NA	NA	$193,904	1%
16	Prince George County	3,754	2010*	2019	0	2	3	5	5	$0	0%
17	City of Staunton	699	2010*	2019	5	5	3	6	14	$364,522	3%
7	City of Norfolk	2,384	2010*	2019	13	11	14	33	37	$848,107	6%
24	Pittsylvania County	3,132	2010*	2019	0	0	0	N/A	N/A	0	0%

* Indicates zone is eligible for up to two 5-year renewal periods.

APPENDIX C: REPORT ON LOCAL INCENTIVES

Locality	Zone #	Local Incentives
Accomack County	**26A**	• Waiver of zoning fees • Finance sewage connection fees for five years at 5% 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)
Alexandria, City of	**20**	• Accelerated development processing • Small business financing • Business assistance (in obtaining financing and ID lease or purchase space for expansion) • Capital Improvements (street beautification, installation of street benches and street signs, under grounding of overhead utilities) • Removal of blight (remove blight, unsanitary and dangerous housing conditions within EZ) • Availability of home rehabilitation loans • Targeted employment training/placement services • Crime prevention and security audits
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, City of	**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 & 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	**21 & 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 of	**51C**	• Water and sewer fee credits for new/expanding businesses • Water and sewer hook-up fee waivers for new businesses • 9-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 of	**56B**	• $400 job grant per full-time position created by qualified businesses • 6-year economic stimulus grant for qualified businesses based on the 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 • Central Business district stimulus grant based on BPOL tax • Central Business District tax assessment exemption for business renovations of at least $20,000
Clifton Forge, Town of	**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 of	**49B**	• Waiver of water and sewer connection fees for qualified businesses • Targeted workforce training grants
Covington, City of	**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, City of	**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% 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 5 years based on the amount of county real estate tax • Rehabilitated real estate tax exemption • 5-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 • 7-year grant based on the value of a business's certified recycling equipment • Full or partial exemption of BPOL fees
Franklin, City of	**18A**	• Discounted purchase of city/county-owned industrial land • Partial exemption from real estate taxes for qualifying rehabilitated structures • 50% 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% 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, City of	**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 of	**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 • 5-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**	• Sales tax exemption • Employment training for new and existing zone employees with the local community college • Local sales tax exemption on all items purchased or leased for conduct of trade or business within the zone • Partial reduction in water and sewer connection fees • Lake Country Development Corporation loan priority • Flexible zoning for lot sizes, parking ratios, and residential densities • Labor pool information • Crime prevention program
Hampton, City of	**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 • 7-year rehabilitation real estate tax exemption • Commercial/industrial rehabilitation grant • Plan review and permit fee waivers • Architectural assistance design program • Off-site improvement grants (off-site drainage, water and sewer improvements) • Fire safety seminars for businesses. • Crime prevention through environmental design analysis • Employment and training assistance • Commercial revitalization staff assistance • Training seminars for EZ businesses • Paving and parking lot sealing grant • Landscaping grant
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 of	**27B**	• Waiver of water and sewer hook-up fees • 50% reduction of water and sewer charges for six months • Waiver for one year of inspection fees for building permits issued • 50% reduction of zoning permit fees for one year
Hopewell, City of	**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 of	**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 of	**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 of	**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 of	**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 & tools tax rebate • Workforce training assistance • Technology assistance
Lunenburg County	**55A**	• Reduced/waived land cost in county industrial parks • 5-year industrial/commercial development grant (based on real estate taxes incurred by new/expanding industrial/commercial businesses) • 5-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

		• 5-year industrial/commercial equipment investment grant • Workforce training and recruitment • Issuance of tax-exempt industrial revenue bonds to assist in financing projects
Lynchburg, City of	**2 & 46**	• Business and professional license tax refund of 100% in years 1-3, 50% in years 4-5 based on net new gross receipts • Machinery and tools tax refund based on net new capital investment • Enterprise Zone loan pool program
Martinsville, City of	**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, City of (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, City of (Zone 2: Middle)	**30**	• 5-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% of CPA attestation costs for EZ applications capped at $250 per investor • Reduction in target industry occupancy costs
Newport News, City of (Zone 3: North)	**31**	• 5-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 or below market rates
Norfolk, City of	**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	**26B**	• Microenterprise loan program to aid small business expansion/start-ups

County		• 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**	• 3-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, City of	**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 • 5-year machinery and tool tax reduction (50%) • Federal historic district expansion
Petersburg, City of	**47A**	• 5-year, 100% 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	**57A**	• 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, City of	**4**	• Business personal property investment grant (cash grant equal 50% of net increase in business personal property taxes) • Machinery and tool investment grant (50% 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% or $1,000 of water/sewer tap fees* • 5-year real estate tax investment credit on 100% of the value of improvements resulting from renovation work*

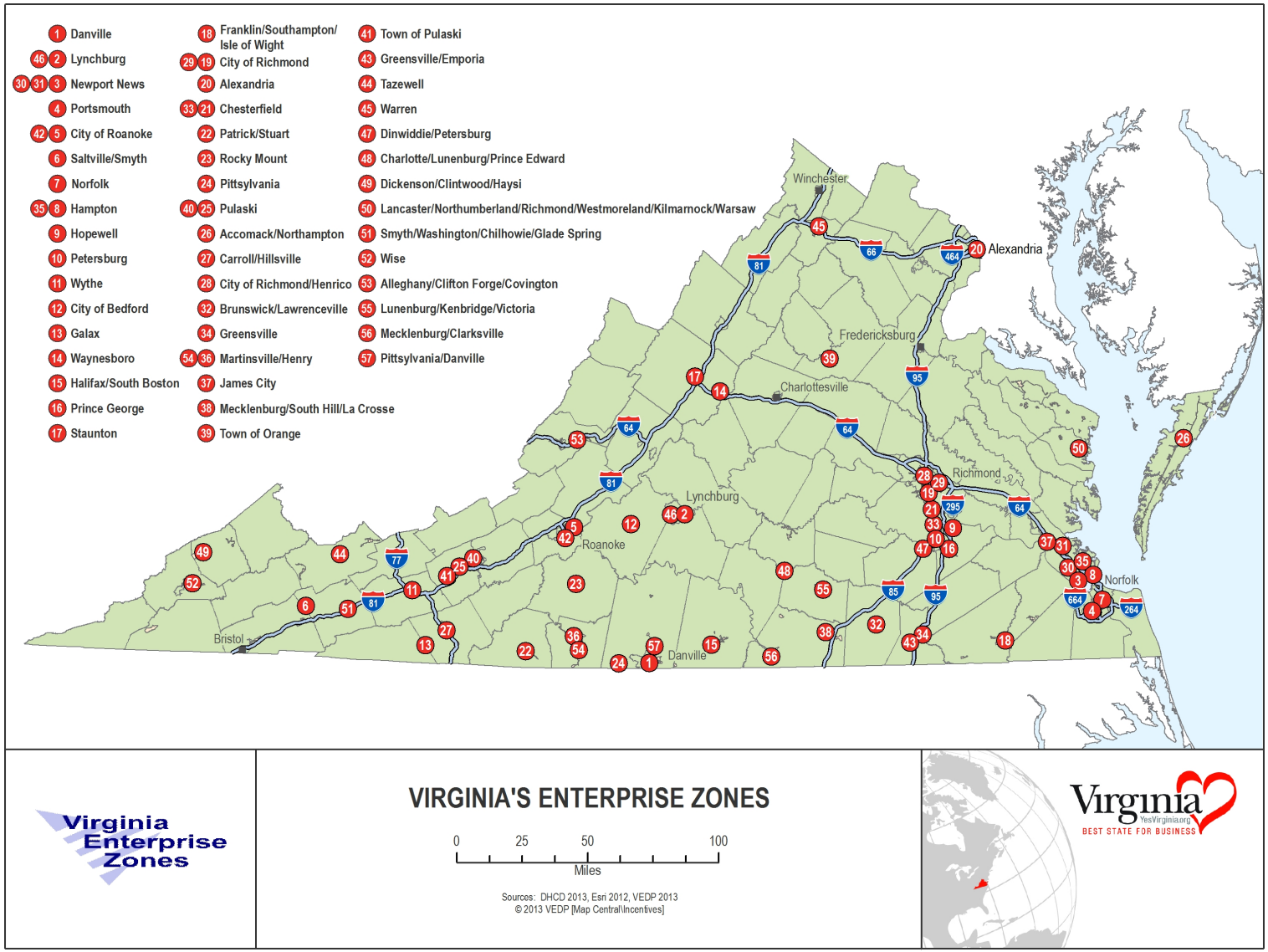
		• Accelerated development review process* • Architectural design fee reimbursement for historic district* • Waiver of land disturbance/soil and erosion permit fees (west Third St.) * Exclusive to Farmville
Prince George County	**16**	• Industrial machinery investment grant • Business license fee rebate for 5 years • Utility connection fee waiver • Rezoning fee waiver
Pulaski County (Zone 1)	**25**	• Rebate of water and sewer connection fees • Reduction of water and sewer charges • Industrial revenue bond financing • Building and equipment financing • Financing of publicly owned land and a $2,000 job credit • Expedited permit processing
Pulaski County (Zone 2)	**40**	• 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, Town of	**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 • 3-year, 50% 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 of	**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 of	**19, 28 & 29**	• Real estate tax abatement • EZ Brownfield rebate • Machinery and equipment rebate • Employment assistance grant equivalent to $400 per new eligible position capped at $7,500 • Loan fee rebate • Business relocation rebate • Development fee rebate
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 of	**5 & 42**	• Parking lot/landscaping grant • 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
Rocky Mount, Town of	**23**	• 5-year exemption on the increased assessed property value • 5-year exemption on the increased personal property value • Waiver of town permitting fees, sewer and water hook-up fees • Façade renovation loans • Residential rehabilitation loans • Rebate of business license fees

		• Job training assistance
Saltville, Town of	**6A**	• Rehabilitated real estate tax exemption • 3-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 • 3-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 renovation in excess of $5,000 on structures over 15 years of age • 50% 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 of	**15**	• Sales tax exemption • Employment training for new and existing zone employees with the local community college • Business license grant • Utility tax grant • Reduced permit fees
South Hill, Town of	**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 an 30 month period • Waiver of building permit fees • Coordination with local banks • Industrial real estate discount of 50% 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, City of	**17**	• 5-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) • 5-year business grant • 5-year 50% grant on machinery and tools tax • 5-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 of	**22B**	• Water and sewer hookup fee reduction or waiver • Rehabilitated real estate tax exemption • 3-Year decreasing credit on business professional and occupational license tax • 2-year machinery and tools tax grant based on the increased assessment
Tazewell County	**44**	• 3-year annual industrial development grant of up to 100% of the real estate tax for new/expanding EZ businesses • 3-year rehabilitated real estate tax exemption for new/expanding EZ businesses

		• 3-year annual industrial development grant of up to 100% based on machinery and tool tax for new/expanding EZ businesses
Victoria, Town of	**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**	• 5-year decreasing exemption of business and occupational license fees for qualified businesses • 50% 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 of	**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 • 3-year 50% 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 price per acre in Progress Park • Rebate of wastewater connection fees • Rebate of water connection fees • Waivers of building permit fees • Fast track permitting • Reduction of water usage rates • Reduction of wastewater usage rates • Joint IDA revolving loan fund interest rate reduction

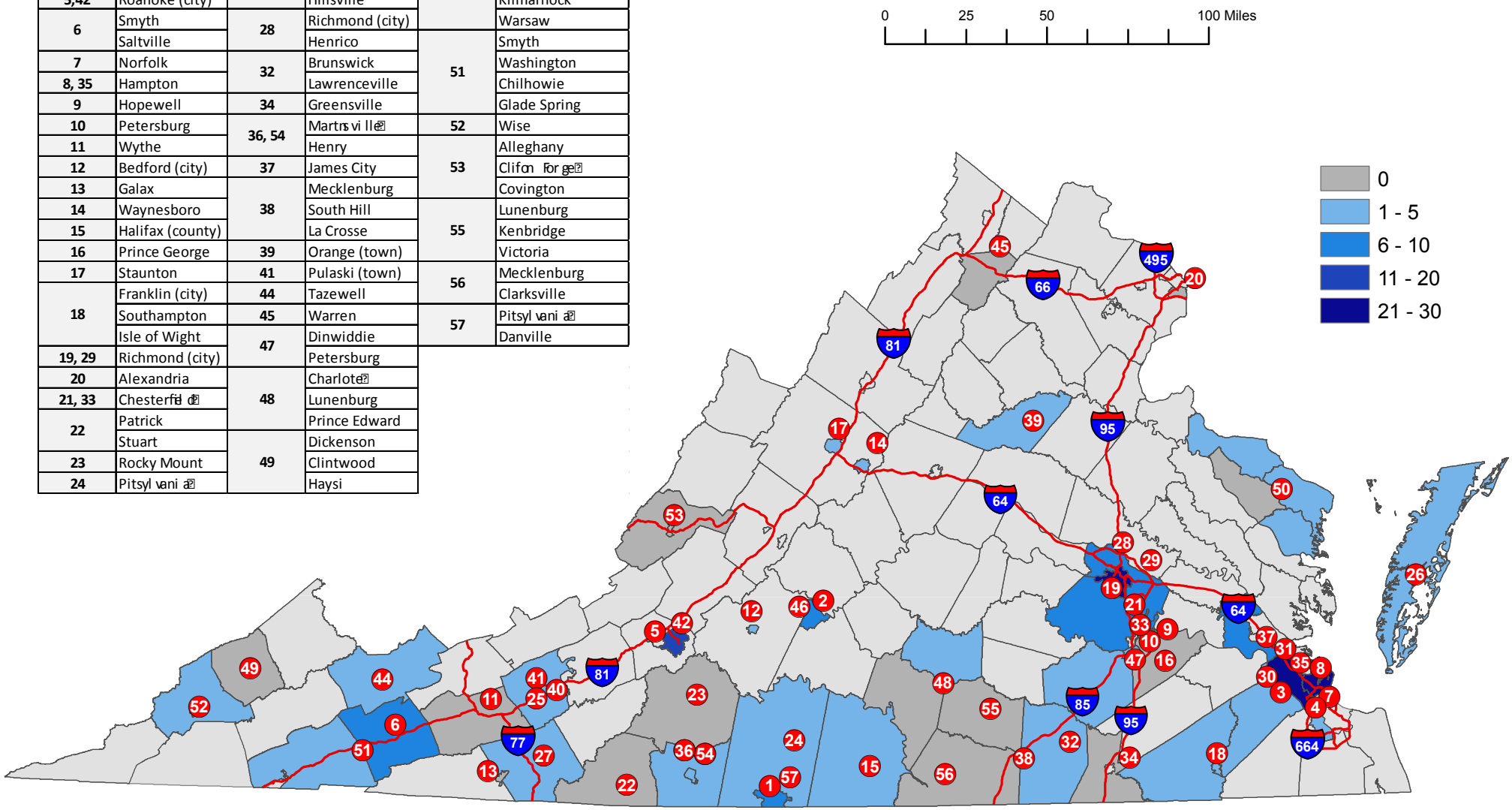
APPENDIX D: ENTERPRISE ZONE MAPS

The map below shows the current list of Enterprise Zones as of January 1, 2013. On December 31, 2012, the City of Richmond's zone 19 as well as Scott County's zone 43 expired and were replaced with a new zone designation in the City of Richmond and a joint zone between Greensville County and the City of Emporia.



2012 Enterprise Zones					
Number(s)	Locality	Number(s)	Locality	Number(s)	Locality
1	Danville	25, 40	Pulaski (county)	50	Lancaster
2, 46	Lynchburg	26	Accomack		Northumberland
3, 30, 31	Newport News		Northampton		Richmond (county)
4	Portsmouth	27	Carroll		Westmoreland
5,42	Roanoke (city)		Hillsville		Kilmarnock
6	Smyth	28	Richmond (city)		Warsaw
	Saltville		Henrico	51	Smyth
7	Norfolk	32	Brunswick		Washington
8, 35	Hampton		Lawrenceville		Chilhowie
9	Hopewell	34	Greensville		Glade Spring
10	Petersburg	36, 54	Martinsville	52	Wise
11	Wythe		Henry	53	Alleghany
12	Bedford (city)	37	James City		Clifton Forge
13	Galax	38	Mecklenburg		Covington
14	Waynesboro		South Hill	55	Lunenburg
15	Halifax (county)		La Crosse		Kenbridge
16	Prince George	39	Orange (town)		Victoria
17	Staunton	41	Pulaski (town)	56	Mecklenburg
18	Franklin (city)	44	Tazewell		Clarksville
	Southampton	45	Warren	57	Pitsylvania
	Isle of Wight	47	Dinwiddie		Danville
19, 29	Richmond (city)		Petersburg		
20	Alexandria	48	Charlotte		
21, 33	Chesterfield		Lunenburg		
22	Patrick		Prince Edward		
	Stuart	49	Dickenson		
23	Rocky Mount		Clintwood		
24	Pitsylvania		Haysi		

ENTERPRISE ZONE GRANTS AWARDED PER LOCALITY
GRANT YEAR 2012



APPENDIX E: 2012 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 2012, 150 percent of the federal minimum wage was $10.88. High unemployment area zones that were authorized by this provision during GY 2012 are listed below.

2012 Enterprise Zone High Unemployment Areas (HUAs)	
Brunswick County - Zone 32	Lawrenceville Town - Zone 32
Carroll County - Zone 27	Martinsville City - Zones 36 & 54
Chilhowie Town - Zone 51*	Mecklenburg County Zones 38 & 56
Clarksville Town - Zone 56	Patrick County - Zone 22
Danville City - Zones 1 & 57*	Petersburg City - Zones 10 & 47*
Franklin City - Zone 18*	Richmond City – Zones 19, 28*, 29
Galax City- Zone 13	Saltville Town - Zone 51
Halifax County - Zone 15	Smyth County - Zones 6 & 51*
Henry County - Zones 36 & 54	South Boston Town - Zone 15
Hillsville Town - Zone 27	South Hill Town - Zone 38
Hopewell City - Zone 9	Stuart Town - Zone 22
LaCrosse Town - Zone 38	

*The following communities in joint zones are NOT HUAs: Dinwiddie County, Southampton County, Isle of Wight County, Washington County, Glade Spring Town, Pittsylvania County, and Henrico 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 2011 Annual Virginia Unemployment Report