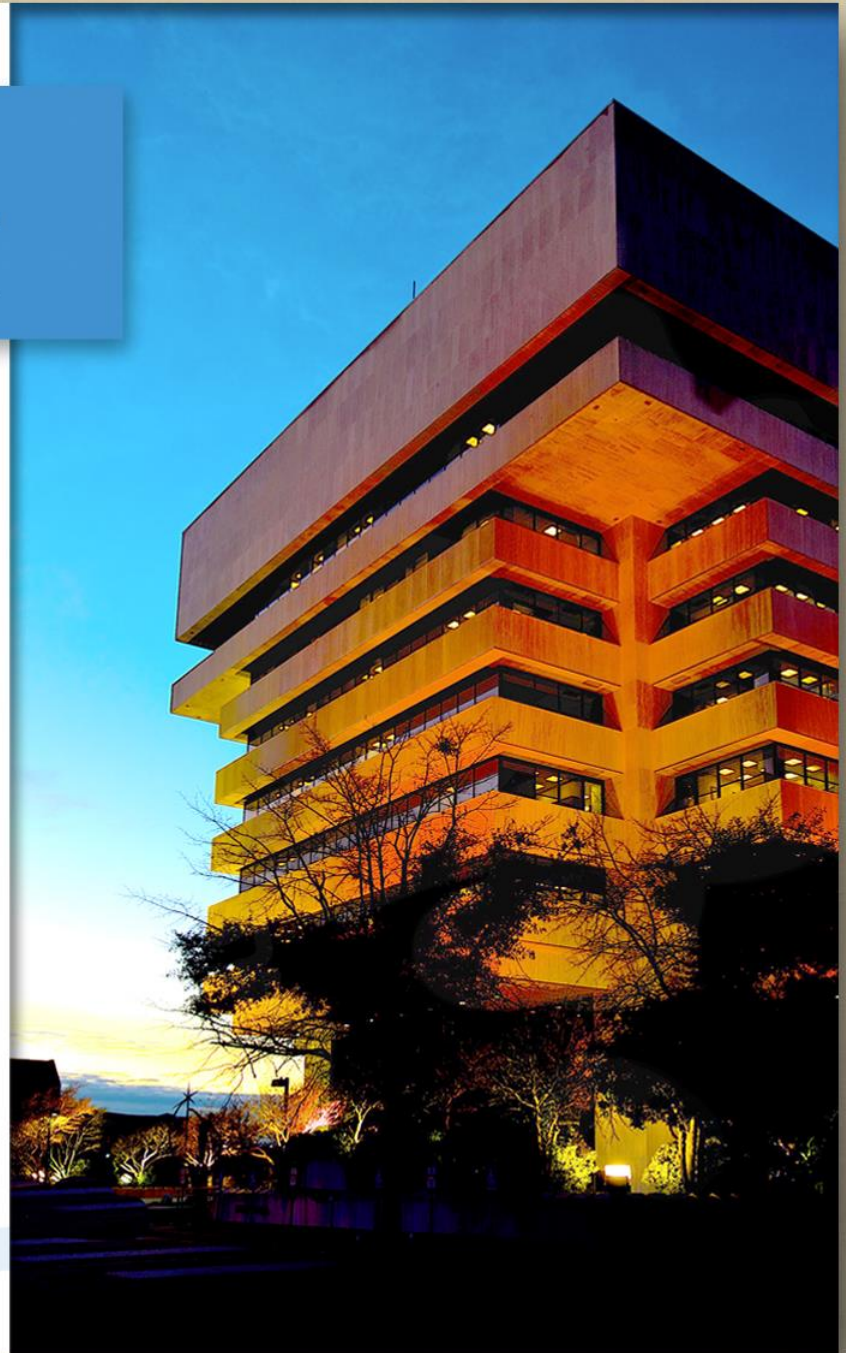


HAMPTON VA

Hampton Urban & Hampton Roads Center Enterprise Zones

Proposed Boundary & Incentive Amendments

January 12, 2022



Agenda

- I. Virginia Enterprise Zone (EZ) Program Recap
- II. Suggested Boundary Additions to Hampton Urban Enterprise Zone
- III. Existing State EZ Incentives
- IV. Existing Local EZ Incentives & Amendments:
 - Hampton Urban Zone
 - Hampton Roads Center (HRC) Zone
- V. Recommended Action

I. Virginia Enterprise Zone Program Recap

- The Virginia Enterprise Zone Program is a partnership between state and local government where both partners provide incentives to stimulate investment and jobs within targeted areas of the state.
- Hampton has two (2) zones – the Hampton Urban Zone and the Hampton Roads Center (HRC) Zone:
 - Hampton Urban Enterprise Zone expires on 12/31/2029
 - HRC Enterprise Zone expires on 12/31/2040

II. Suggested Boundary Additions to Hampton Urban Zone

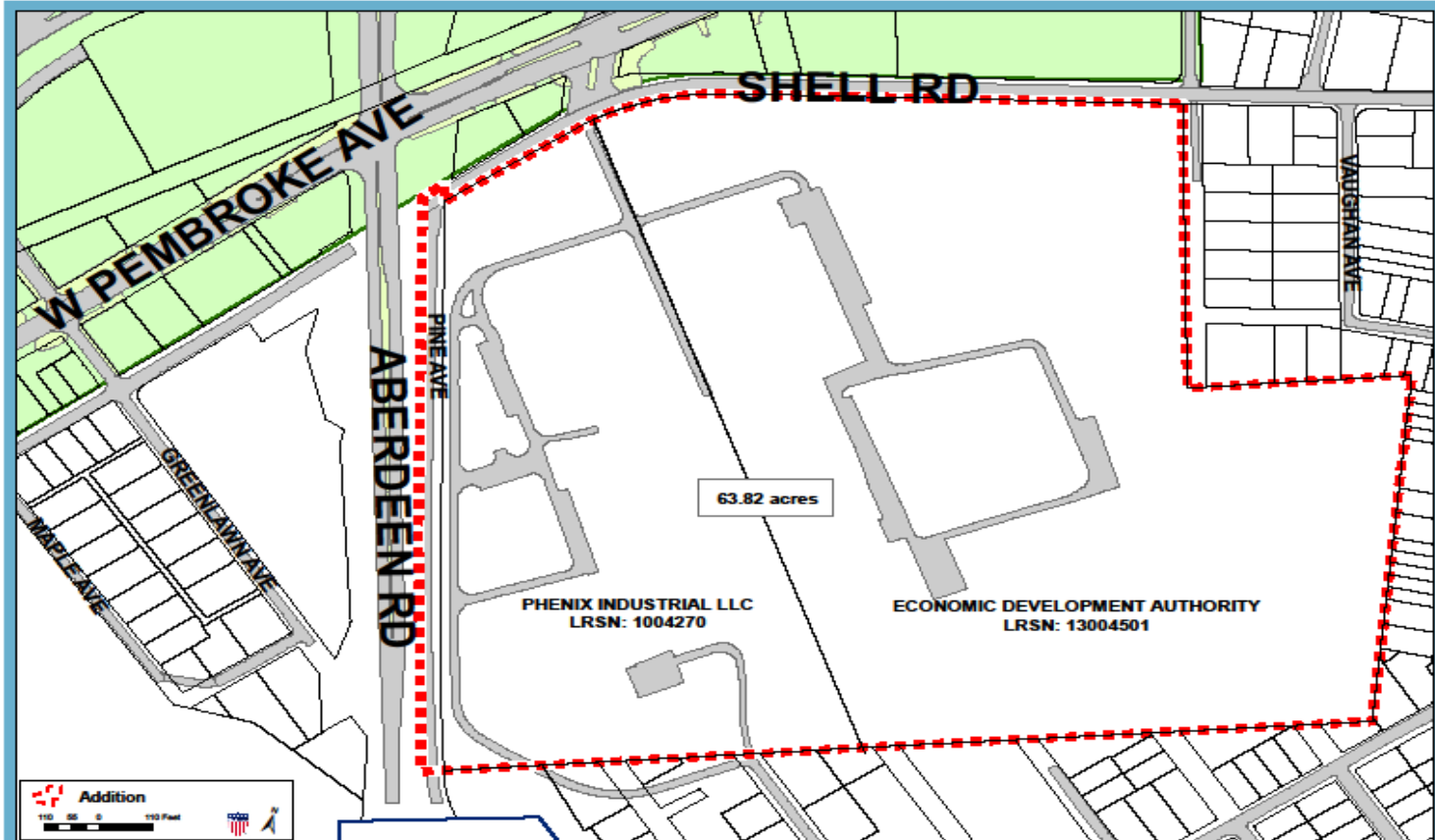
The Hampton Urban EZ proposed boundary amendment includes two (2) areas with high redevelopment potential within the city:

- 80.70 acres located within selected areas at Fort Monroe
- 63.82 acres that comprises the former site of the Virginia School for the Deaf and Blind at Shell Road

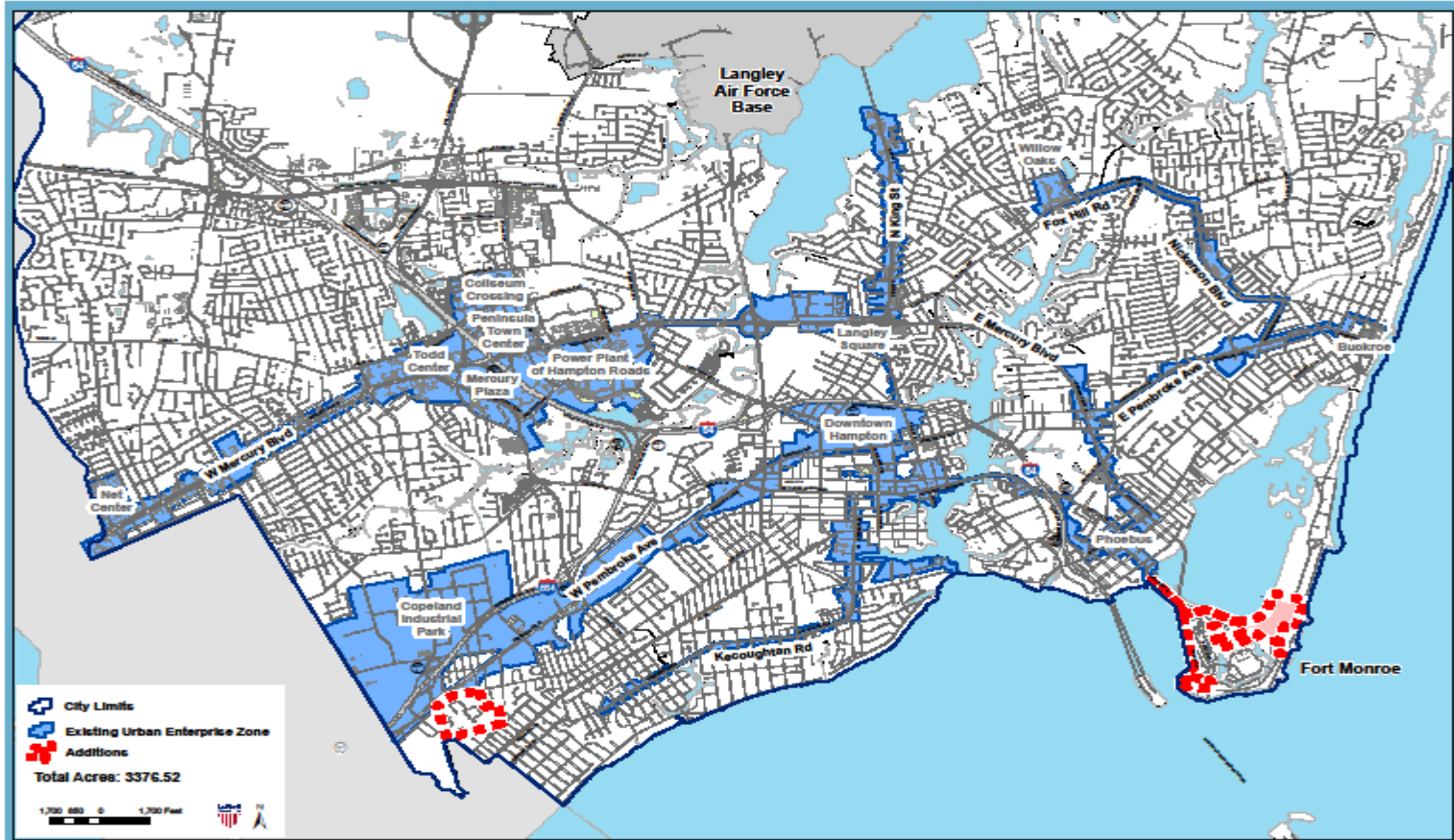
Fort Monroe Addition



Urban Enterprise Zone & Additions



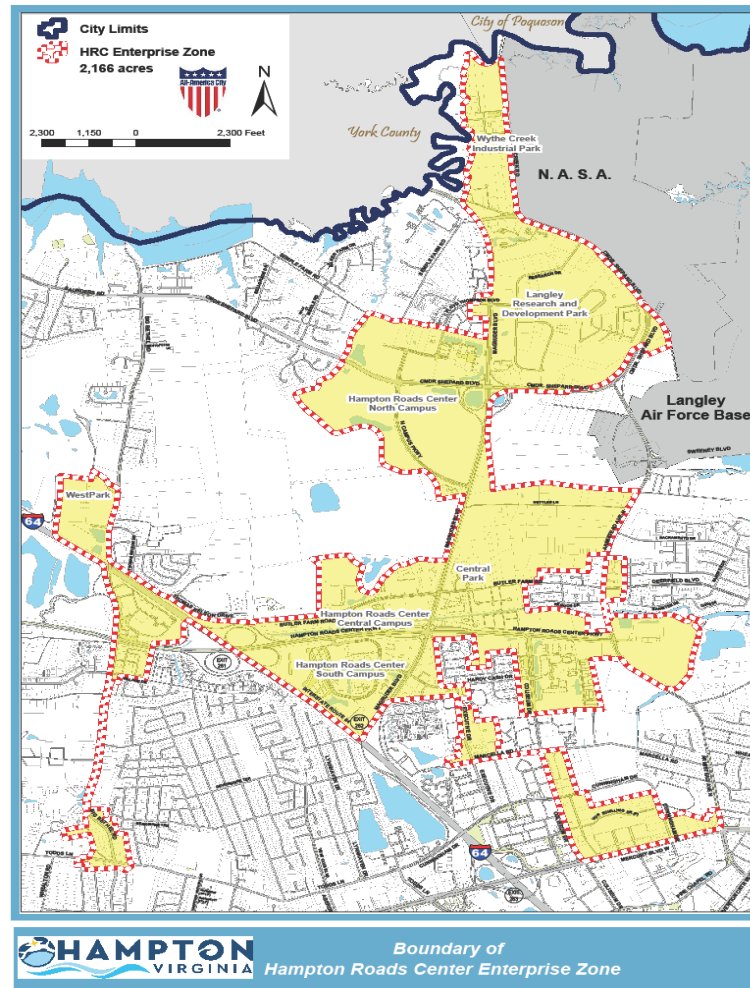
Urban Enterprise Zone & Additions



Current and Amended Boundaries of Hampton Urban Enterprise Zone

Map 1

HRC Enterprise Zone (No Change)



III. Existing State EZ Incentives Hampton Urban & HRC Zones

Real Property Investment Grant – Awards are made up to \$100,000 per building for commercial/mixed use real property investments less than \$5 million and up to \$200,000 per building for qualified investments of \$5 million or more.

Job Creation Grant – Firms creating jobs above the threshold of four (4) that pay 175% of the federal minimum wage + benefits will be eligible for a grant of \$500/job and those paying 200% will be eligible for \$800/job for five (5) years. Retail, local service or food and beverage businesses are not eligible to apply.

IV. Current EZ Local Incentives Hampton Urban and HRC Zone (Ordinance)

- **Capital Investment Grant** – Any qualifying manufacturer or office-oriented business is eligible for a Capital Investment Grant for up to three (3) consecutive calendar years based on the actual business personal property and/or machinery and tools taxes paid.
- **Business License Tax Refund** – Any qualifying business, with the exception of food and beverage establishments, is eligible for a refund of business license taxes for up to five (5) consecutive calendar years. The refund is paid in an amount equal to 100% in the first calendar year, 80% in the second calendar year and 60% in third through the fifth calendar years.
- **Local Utility Tax Refund** – Any qualifying business, with the exception of food and beverage establishments, is eligible for a refund of local utility taxes for up to five (5) consecutive calendar years. The refund is paid in an amount equal to 100% in the first calendar year, 80% in the second calendar year and 60% in third through the fifth calendar years.

IV. Other Existing Local Incentives Hampton Urban & HRC Zones

Administered by the City/EDA:

- **Enterprise Zone Loan Program:** \$5,000 minimum, \$100,000 maximum
- **Real Property Improvement Tax Credit:** Properties 15 years or older with assessed value increase of at least 60%; credit for six (6) years (100% of the increased assessed value for three (3) years and 50% for the remaining three (3) years)
- **Redevelopment Cost Write Down:** Discretionary; based on property and City/EDA redevelopment goals
- **Retail Revitalization Program:** Based on impact of neighborhood revitalization efforts, age of center and level of private investment
- **Downtown Hampton/Phoebus Loan Assistance:** Business must be located in Downtown Hampton or Phoebus (Urban only)

IV. Other Existing Local Incentives Hampton Urban & HRC Zone

Administered by Partnering Agencies:

- **Coliseum Central (BID) Physical Improvement Grant:** Up to \$10,000
- **Coliseum Central (BID) Cooperative Advertising Grant:** Up to \$1,500 (cannot exceed 10% of total advertising cost)
- **Coliseum Central (BID) Security Improvement Grant:** For making physical improvements to enhance security (cannot exceed 50% of the total improvements)
- **Phoebus (Partnership) Rehabilitation Loan Program:** Business must be located in Phoebus (Urban Only)

IV. Proposed Incentive Amendment Hampton Urban Zone

Existing incentives recommended to be deleted from the Hampton Urban Zone:

- Downtown Hampton and Phoebus Loan Assistance Program
- Enterprise Zone Loan Program (can be covered by other loan programs)
- Phoebus Rehabilitation Loan Program (Phoebus Improvement League replaced by Partnership for a New Phoebus)
- Retail Revitalization Program

Incentives recommended to be added to the Hampton Urban Zone:

- Façade Grant
- Downtown Hampton/Phoebus Retail Incentive Grant
- Manufacturing Assistance Grant
- NASA Langley Research Center Technology Commercialization Grant

The incentives being added are more diverse by assisting commercial, industrial and research business activities and supports more opportunities for growth in the tax base and jobs within the city.

IV. Proposed Incentive Amendment Hampton Roads Center (HRC) Zone

Existing incentives to be deleted from the HRC Enterprise Zone:

- Enterprise Zone Loan Program (can be covered by other programs)
- Retail Revitalization Program

Incentives to be added to the HRC Enterprise Zone:

- Façade Grant
- Manufacturing Assistance Grant
- NASA Langley Research Center Technology Commercialization Grant

The incentives being added are more diverse by assisting commercial, industrial and research business activities and supports more opportunities for growth in the tax base and jobs within the city.

V. Recommended Action

Conduct and Approve:

- 1) Public Hearing and Resolution to Amend the Hampton Urban Enterprise Zone boundaries and local incentives; and
- 2) Public Hearing and Resolution to Amend the Hampton Roads Center Enterprise Zone incentives.

Questions

