



Legislation Details (With Text)

File #: 22-0014 **Version:** 1 **Name:** Hampton Urban Enterprise Zone Amendment
Type: Resolution **Status:** Passed
File created: 12/27/2021 **In control:** City Council Legislative Session
On agenda: 1/12/2022 **Final action:** 1/12/2022
Title: Resolution Authorizing the City Manager to Apply to the Virginia Department of Housing and Community Development for an Amendment to the Boundaries of and Local Incentives Being Offered In the Hampton Urban Enterprise Zone Pursuant to the Virginia Enterprise Zone Grant Act

Sponsors:

Indexes: , DO NOT USE - 21 - Economic Base Growth

Code sections: Code of Virginia, 58.1-538 et. seq. - Virginia Enterprise Zone Grant Act

Attachments: 1. VEZ-Amendment-App Zone #8 (Urban), 2. Map 3 Urban Enterprise Addition VS, 3. Map 2 Urban Enterprise Addition (FT Monroe) 08Nov2021, 4. Map 1 Urban Enterprise Addition 2021, 5. Presentation, 6. Affidavit - Advertisement

Date	Ver.	Action By	Action	Result
1/12/2022	1	City Council Legislative Session	approved	Pass

Resolution Authorizing the City Manager to Apply to the Virginia Department of Housing and Community Development for an Amendment to the Boundaries of and Local Incentives Being Offered In the Hampton Urban Enterprise Zone Pursuant to the Virginia Enterprise Zone Grant Act

PURPOSE/BACKGROUND:

The Virginia Enterprise Zone program is a partnership between state and local government in which both parties seek to improve economic conditions within designated localities. The program is meant to complement additional local, state, and federal economic development activities to create an improved climate for private sector investment and to focus limited resources on strategically targeted areas.

Discussion:

The Virginia General Assembly first established enterprise zones in 1982, and has amended those provisions from time to time since then. The Enterprise Zone Grant Act went into effect on July 1, 2005. Pursuant to that law and the accompanying administrative code (the "Regulations"), a locality's governing body may make a written application to the Virginia Department of Housing and Community Development ("DHCD") to have an area declared an enterprise zone. This state and local partnership is intended to promote economic development through job creation and real property investment, and to provide incentive for private sector investment in targeted areas throughout Virginia. The Regulations establish specific criteria and procedures for zone administration, designation, and amendment, as well as defines the eligibility criteria for businesses and investors seeking qualification for state incentives. Day-to-day administration of the designated zones is the locality's responsibility, including, but not limited to, administering, managing, and marketing. The City's Economic Development Department is responsible for that local administration.

The Hampton Urban Enterprise Zone area currently encompasses 3,233 acres and incorporates Hampton's Downtown and most of the industrial areas (Copeland Industrial Park, Pembroke corridor) and major retail corridors (Coliseum Central, Mercury Boulevard, King Street, Kecoughtan Road, and Phoebus) within the City. The current application to DHCD proposes to expand those boundaries, and also seeks to amend certain incentives. The proposed boundary expansion includes an additional 144.52 acres, part of which is in the vicinity of Shell Road (encompassing the former site of the Virginia School for the Deaf & Blind), and the remainder of which encompasses certain portions of Fort Monroe. The proposed amendment seeks to delete four (4) infrequently used or phased out incentives (the Enterprise Zone Loan Program, the Retail Revitalization Program, the Phoebus Rehabilitation Loan Program, and the Retail Revitalization Program), and to add four (4) others (the Facade Grant, the Manufacturing Assistance Grant, the Downtown Hampton Phoebus Retail Incentive Grant, and the NASA Langley Research Center Technology Commercialization Grant). The incentives being added are more frequently used and better diversify the offerings to assist commercial business. The Economic Development Authority of the City of Hampton, Virginia reviewed the proposed amendment at its meeting held on December 21, 2021, and by motion, provided its support to the City's application.

A locality seeking to amend a zone must hold at least one (1) public hearing prior to submitting to DHCD an application for that purpose. A public hearing on this matter is scheduled for January 12, 2022.

Impact:

See Purpose/Background and Discussion Above.

Recommendation:

Hold a public hearing and approve the Resolution.

WHEREAS, the Commonwealth of Virginia adopted the Enterprise Zone Act, pursuant to Section 59.1-270 *et. seq.*, of the Code of Virginia as it may be amended from time to time, with the purpose of stimulating business and industrial growth which would result in neighborhood, commercial, and economic revitalization;

WHEREAS, pursuant to that authority, the City applied for and received designation as an enterprise zone those certain 3,233 acres that incorporates the City's downtown and major industrial and retail corridors, referred to as the Hampton Urban Enterprise Zone, to include certain incentive offerings for qualifying business locating in that area;

WHEREAS, the Enterprise Zone Act was recodified and restated in 2005 as the Enterprise Zone Grant Act (Section 59.1--538 *et. seq.* of the Code of Virginia, as it may be amended from time to time);

WHEREAS, pursuant to the Enterprise Zone Grant Act, the City seeks to amend the Hampton Urban Enterprise Zone to expand its boundaries to include 144.52 acres within the certain designated areas in the vicinity of Shell Road and within Fort Monroe;

WHEREAS, pursuant to the Enterprise Zone Grant Act, the City also seeks to amend the

incentives offered in the Hampton Urban Enterprise Zone by removing four (4) infrequently used or phased out incentives (the Enterprise Zone Loan Program, the Retail Revitalization Program, the Phoebus Rehabilitation Loan Program, and the Retail Revitalization Program), and to adding four (4) others (the Facade Grant, the Manufacturing Assistance Grant, the Downtown Hampton Phoebus Retail Incentive Grant, and the NASA Langley Research Center Technology Commercialization Grant);

WHEREAS, those modifications, in conjunction with certain separately recommended amendments to the Hampton Roads Center Enterprise Zone, will achieve parity in the incentives offered in both zones; and

WHEREAS, the Economic Development Authority of the City of Hampton Virginia, by motion, at its meeting on December 21, 2021, indicated its support for those proposed amendments.

NOW, THEREFORE, the City Council of the City of Hampton, Virginia, hereby authorizes the City Manager or her designee to apply to Virginia's Department of Housing and Community Development to amend the boundaries of and incentives available in the Hampton Urban Enterprise Zone, and to execute any and all other documents and take any other actions necessary to effectuate the purposes of this resolution.