



Legislation Text

File #: 22-0010, Version: 1

Resolution Authorizing the City Manager to Apply to the Virginia Department of Housing and Community Development for an Amendment to the Local Incentives Being Offered in the Hampton Roads Center 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 Roads Center Enterprise Zone consists of 2,166.6 acres and is located in the northeast quadrant of the City. The zone boundaries include the following office and industrial parks; Hampton Roads Center Central Campus, Hampton Roads Center North Campus, Hampton Roads Center South Campus, Central Park, Langley Research and Development Park, Wythe Creek Industrial Park, and West Park. It also includes retail commercial areas along Neil Armstrong Boulevard (formerly Magruder Boulevard), Commander Shepard Boulevard, Hampton Roads Center Parkway, a portion of the Coliseum Central area, and Big Bethel Road. The current application to DHCD retains those boundaries, but seeks to amend certain incentives. In particular, it seeks to delete two (2) infrequently used or phased out incentives (the Enterprise Zone Loan Program and the Retail Revitalization Program), and to add three (3) others (the Facade Grant, the Manufacturing Assistance 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 2,166.6 acres and is located in the northeast quadrant of the City, referred to as the Hampton Roads Center 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 Roads Center Enterprise Zone to remove two (2) infrequently used and phased out incentives, to include the Enterprise Zone Loan Program; and to add three (3) more frequently used incentives that will also better diversify offerings available to assist commercial businesses, to include the Facade Grant, the Manufacturing Assistance Grant, and the NASA Langley Research Center Technology Commercialization Grant;

WHEREAS, those modifications, in conjunction with certain separately recommended amendments to the Hampton Urban 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 incentives available in the Hampton Roads Center Enterprise Zone, and to execute any and all other documents and take any other actions necessary to effectuate the purposes of this resolution.