Virginia Enterprise Zone

Local Zone Administrator's Management Manual

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VIRGINIA 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. There are currently 45 designated Enterprise Zones in the Commonwealth; however, under the 2005 Enterprise Zone Grant Act the total number of zones is to be reduced to 30. The Governor has the power to designate new zones as older zones expire. Under the 2005 Grant Act, each zone is designated for an initial 10-year period and is eligible for two consecutive 5-year extensions. Five-year extensions are based on the locality's performance of zone administration responsibilities, the continued need for such a zone, and the zone's effectiveness in creating jobs and capital investment. **New legislation passed in 2019 allows for a third 5-year extension for each zone, effectively extending zone designations up to 25 years.**

The 2005 Act also replaced the former tax credit program with two grant-based incentives; the Real Property Investment Grant (RPIG) and the Job Creation Grant (JCG). In addition to supporting the overall policy shift of the program, the current incentives reflect changes in business best practices and development trends that have occurred over the past decade. Businesses that began qualification periods for the pre-2005 tax credit program prior to July, 2005 may complete their 10-year agreed-upon incentive period provided they continue to meet qualification requirements. By statute, the tax credits are available through fiscal year 2019.

ZONE ADMINISTRATION AND OVERSIGHT

The Virginia Enterprise Zone program is guided by the Code of Virginia and the Virginia Enterprise Zone Program Regulations. The Regulations establish specific criteria and procedures for zone administration, designation, and amendments, as well as to define the eligibility criteria for businesses and investors seeking qualification for state incentives. While the Department of Housing and Community Development (DHCD) administers the state-wide program, the day-to-day administration of a designated zone is the responsibility of the participating jurisdiction. Each locality is required to designate a Local Zone Administrator who is responsible for administering, managing, and marketing the locality's Enterprise Zone.

LOCAL ZONE ADMINISTRATION

A Local Zone Administrator (LZA) is the chief executive of the participating jurisdiction in which the Enterprise Zone is located or his/her designee. DHCD recommends that LZAs develop a formal process for managing their zone by developing an instruction manual that includes detailed procedures on the provision of local incentives, marketing the zone (state & local incentives), a process for zone evaluation, maintaining an updated list of addresses and businesses within the zone boundaries, and procedures for meeting DHCD reporting requirements. Creating a documented process will help ensure consistent zone administration throughout the life of the zone.

STATE INCENTIVE QUALIFICATION

It is the responsibility of the LZA to identify and assist potential Enterprise Zone applicants with the state incentive qualification process. Each year, DHCD holds regional "How to Qualify" workshops and provides LZAs with updated instruction manuals and application forms for state incentive qualification. These documents and additional information can always be found on the EZ Online Submission System site: https://dmz1.dhcd.virginia.gov/EZonePortal/.

DHCD strongly urges LZAs to attend the regional workshops for updated information on the state incentive eligibility requirements and qualification process. It is also important for LZAs to market these annual workshops to the various stakeholders within their zones including (but not limited to) local businesses, property owners, real estate agents, and Certified Public Accountants.

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 is based on investments made in excess of the $100,000 and $500,000 eligibility thresholds, respectively. **Starting in 2019, solar projects of at least $50,000 may qualify for RPIG with a $0 threshold. If solar is part of a larger rehab, expansion, or new construction project, the applicable threshold will be reduced by $50,000.**

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 ($12.69/hour) with offered health benefits. Positions earning at least 200 percent of the federal minimum wage ($14.50/hour) with offered health benefits are eligible for a grant of $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 and beverage, and personal service positions are not eligible for the JCG. As of 2010, firms in High Unemployment Areas (HUAs)[1] may qualify for the JCG at a reduced wage threshold. High unemployment areas are localities with unemployment rates that are equal to or more than one and one-half times (150 percent) the state average. In such areas, the qualifying wage threshold is lowered to 150 percent of federal minimum wage ($10.88) to qualify for the $500 grant per eligible position.

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

PROVISION OF LOCAL INCENTIVES

Localities are responsible for providing local incentives to eligible Enterprise Zone businesses and investors. Local incentives are a critical component of the Enterprise Zone Program as they provide the opportunity for the locality to tailor assistance to the direct needs of their business community. Each locality is required to offer a package of local incentives to businesses and property owners within the Enterprise Zone. Incentives offered within the Enterprise Zone should take into account locally and regionally adopted community and economic development priorities and strategies. Local incentives should **complement** the Job Creation and Real Property Investment Grants but are not required to be financial. Fast–track permitting, design assistance, and loan packaging assistance are examples of effective forms of local incentives that are appropriate for this program. However, funds foregone as the result of offering incentives with monetary value should be considered an investment that will strengthen the development potential of the zone by creating an enhanced business environment via job growth and improved real estate conditions. It's important to consider the associated benefits such as an increased tax base and the potential reduction in unemployment.

DHCD recommends that LZAs develop a formal qualification process for each local incentive outlining the eligibility requirements and the roles and responsibilities of all parties involved in the qualification process (e.g., building department, assessor's office, department of revenue). The LZA and all involved parties at the local level should be familiar with package of the local incentives. In addition, each administrator should monitor the use of local incentives to determine if they are having the intended impact.

MAINTAINING ZONE BOUNDARIES

It is the responsibility of the LZA to maintain information regarding the boundaries of the Enterprise Zone. The LZA should keep a listing of all addresses and businesses within the boundaries of the zone. Addresses should be used to verify business location and eligibility for state and local incentives. It is also a good idea to have a legal boundary description in addition to a boundary map.

The Virginia Employment Commission (VEC) can provide the locality with a listing of all businesses registered with the VEC, what type of business activity the business performs, the number of employees, and average wage paid in each business sector. With this information, the local administrator can compile a listing of Enterprise Zone businesses. There is a charge for this material and recipients are required to sign a confidentiality agreement. Not every business is required to file with the VEC, so the list may not be all-inclusive. To request VEC information, contact the Labor Market Information Office in Richmond at (804) 786-5880. Local business license reports are another source for determining the type and number of businesses within the zone.

ENTERPRISE ZONE AMENDMENT REQUIREMENTS

An Enterprise Zone locality may amend the boundaries and/or package of local incentives once every twelve months from the date of the last amendment. Localities must make their request to amend their zone using CAMS. **DHCD will not approve an amendment application unless the zone's local annual reports are current.** Please contact the Enterprise Zone office to discuss any potential amendments.

Public Hearings are a required component for **ALL** amendment applications. The local governing body must hold a Public Hearing on the proposed amendment(s) prior to submitting the amendment application to DHCD. The Public Hearing must not be held more than six months prior to the amendment submission (13VAC5-112-490).

Public Hearing Advertisement Requirements

- Ads must be published once a week for two consecutive weeks in a newspaper of general circulation.
- The final advertisement cannot be published less than five days or more than twenty-one days prior to the hearing.
- The ad must give the time, date, and location of the hearing.

The complete requirements for conducting public hearings are stated in §15.2-2204, Code of Virginia.

A draft of the amendment application and maps showing boundary revisions **MUST** be submitted for DHCD's review **prior to the Public Hearing**. This initial review will allow Enterprise Zone staff to identify any issues or concerns prior to the Public Hearing, reducing the possibility of significant revisions to the final draft and the need for an additional Public Hearing.

A resolution from the local governing body approving the amendment must be submitted with the application. In the case of a joint zone, each locality participating in the joint zone (regardless of whether or not they are amending their portion of the zone) must pass an approval resolution and sign a **Joint Application Agreement**, Form EZ-2-JA. This form certifies that the other participating jurisdictions support the filing of the amendment request.

BOUNDARY AMENDMENTS

An Enterprise Zone boundary may be amended once every twelve months from the date of the last amendment application provided the jurisdiction stays within the acreage guidelines outlined in Section 13VAC5-112-440 of the Program Regulations. Boundary amendments may include additions, deletions, or the creation of non-contiguous areas.

ADDING ZONE ACREAGE:
Localities may expand the boundaries of their zones up to the maximum size as outlined in Section 13VAC5-112-440 of the program regulations. The addition cannot consist of a single site for a single business firm or be less than a total of 10 acres in size. In a joint zone, the portion of the zone in each locality must meet the minimum and maximum size requirements as outlined in the Program Regulations.

DELETING ZONE ACREAGE:
In the case of a boundary amendment that involves the removal of designated acreage, the local governing body must notify each individual property owner and business located within the boundaries of the proposed deletion **two weeks prior to holding the Public Hearing**. The Local Zone Administrator must demonstrate that the boundary deletion will not have a negative impact on businesses and properties located within the area marked for deletion.

ADDING/REMOVING NON-CONTIGUOUS AREAS:
Each Enterprise Zone may have up to three non-contiguous areas. The total acreage of the combined zone areas cannot be greater than the maximum zone size as outlined in Section 13VAC5-112-440 of the Program Regulations. Each participating jurisdiction in a joint zone is allowed to establish up to three non-contiguous areas.

Size Limits for Zones in Towns and Cities	**Size Limits for Zones in Counties**
Minimum: one-quarter (1/4) square mile (160 acres). Maximum: one square mile (640 acres). Exception: may be larger than one square mile provided it does not exceed seven percent of the locality's land area or it does not encompass more than seven percent of the locality's total population. To calculate the population exception, use the Weldon Cooper Centers' most recent final (not provisional) population estimates for the locality. The following is a link to the Weldon Cooper Public Service Center: **http://demographics.coopercenter.org/virginia-population-estimates/**	Minimum: one-half (1/2) square mile (320 acres). Maximum: six square miles (approximately 3,840 acres). **Size Limits for Zones in Consolidated Cities** Zones in cities where the present boundaries have been created through the consolidation of a city and county (Chesapeake, Hampton, Newport News, and Virginia Beach) or the consolidation of two cities (Suffolk and Richmond), must use the minimum and maximum size guidelines for zones in unincorporated areas of counties described above.

INCENTIVE AMENDMENTS

Localities should regularly monitor the usage and effectiveness of their local incentives. Localities should amend their incentive package if certain incentives are not being utilized or as conditions in the zone change. New incentives may be added to the package and existing incentives may be adjusted or replaced. Localities may remove a local incentive from the package if a replacement is offered. DHCD will only approve the deletion of a local incentive if the proposed replacement is equal or superior to the incentives previously offered.

TYPES OF LOCAL INCENTIVES

Participating localities are to provide a variety of financial and non-financial incentives to further encourage economic growth and investment within their Enterprise Zones. For the purposes of the Virginia Enterprise Zone Program, an incentive is any type of regulatory reform, tax exemption, service improvement, resource commitment or other activity intended to stimulate private sector investment or revitalization. A locality may consider any type of incentive permissible under federal and state law, provided that the incentive is targeted to the zone. An incentive that is available throughout a locality is not considered an Enterprise Zone incentive unless special affirmative conditions are provided to encourage greater use of the incentive within the boundaries of the zone than would otherwise be expected. The package of local Enterprise Zone incentives is to be determined by the local governing body. The following list is sample of frequently offered local Enterprise Zone incentives:

REAL PROPERTY TAX EXEMPTION
Section 58.1-3221 of the Code of Virginia enables localities to defer the taxes on the increase in assessed value as a result of the rehabilitation of real estate for structures at least 15 years of age in Enterprise Zones, and 20 years of age elsewhere in the jurisdiction.

MACHINERY AND TOOL TAX GRANTS
Grants based on the amount of machinery and tool tax paid to the locality are given to the business through the local IDA. Unlike the real property tax exemption, there is no state enabling legislation that allows localities to forgo the collection of this tax. The locality must collect the tax, but is allowed to work with the local IDA to provide a grant to zone businesses equivalent to all or a portion of the machinery and tool tax they have paid.

LOCAL TAX REBATES
Rebates on local sales tax on items purchased in the community for conduct and trade of business in the Enterprise Zone.

BUSINESS LOANS
Façade improvement loans for both commercial and industrial properties, low interest loan funds for start-up and expansion, revolving loan funds composed of local and private funding sources.

BUSINESS AND PROFESSIONAL OCCUPATION LICENSE FEE EXEMPTION
Exemption from local licensing fees for new and existing firms.

FEE WAIVERS
Waiver of permit fees, sewer and water tap fees, utility fees.

PUBLIC IMPROVEMENTS
Streets, sidewalks, water and sewer systems, signage or signals, etc.

WORKFORCE SERVICES
Targeted training programs or other assistance programs designed to meet business needs.

NON-FINANCIAL
Fast track permitting process, loan packaging assistance, and design assistance.

LOCAL INCENTIVE CONDITIONS & ELIGIBLITY CRITERIA

Strategically tailoring local incentive conditions and eligibility criteria is a way localities can encourage particular activities within the zone. Conditions may be placed on the period of time the incentive is made available (ex: during the first five years of zone operation), the period of time in which a zone business can qualify to receive an incentive (ex: a three-year exemption), and eligibility criteria to receive incentives (ex: investment and/or job creation thresholds). Eligibility requirements can be a key tool to guide development. For example, eligibility requirements can be used to target incentives to particular business sectors such as tourism or technology or businesses that pay wages above a certain rate. Generally, a locality is free to set whatever conditions it considers to be appropriate, provided that there is no conflict with federal or state law.

DHCD discourages using state incentive qualification as the eligibility criteria for local incentives. A business or investor **should not** be required to qualify for state incentives to be eligible for local incentives.

GUIDELINES FOR DEVELOPING LOCAL ENTERPRISE ZONE INCENTIVES

USE INCENTIVES TO ACCOMPLISH A PLAN:
Incentives should be directly linked to actions that are consistent with local Enterprise Zone revitalization and development goals.

ESTABLISH PERFORMANCE BASELINES THAT PROVIDE A THRESHOLD FOR QUALIFICATION:
Incentives should reward firms that make a commitment to invest in a zone by creating new jobs, investing in real property, or a combination of both.

MONITOR INCENTIVES REGULARLY:
Incentives should be structured to facilitate the evaluation of their usage and return-on-investment.

CONSIDER RETURN ON INVESTMENT:
Incentives should represent sound fiscal policy.

CONSIDER DESIRED OUTCOMES:
Incentives should have reasonable eligibility criteria or limitations that support the localities desired outcomes (e.g., attracting businesses that pay higher wages).

PARTNERSHIPS AND PARTICIPATION

Interagency partnerships and cooperation, as well as community participation are essential to the long-term success of the local Enterprise Zone Program. There are a number of departments such as code enforcement, housing, planning, police, parks and recreation, and community development that may have activities and interests in the Enterprise Zone area.

Localities may also have a number of private sector organizations (financial institutions, local Main Street organizations, chambers of commerce, business and merchant associations, utility companies, real estate agencies, CPAs), or quasi-governmental agencies (housing authorities, industrial development authorities) that conduct activities in the Enterprise Zone area.

Organizing Enterprise Zone businesses around an association geared towards meeting zone needs and addressing zone interests is another element of an effective local program.

PERFORMANCE EVALUATION AND INCENTIVE MONITORING

Enterprise Zones provide a framework for the coordination of diverse activities to improve the community and economic conditions of distressed areas. The creation of an Enterprise Zone is an opportunity for localities to examine various programs and policies that focus on a host of economic and community development initiatives. Incentive monitoring and performance evaluations are valuable ways to assess the locality's progress toward achieving stated goals and improving local performance over the life of the zone. Regular evaluation helps the locality to determine if the program is having its intended impact as the purpose of the program is to provide assistance in reaching established goals and objectives. Additionally, evaluation provides a mechanism to examine the use of local incentives. Results of regular monitoring may indicate the need for amendments or other adjustments to ensure the ongoing effectiveness of the local zone.

ANNUAL REPORTING

Localities are required to submit annual reports to DHCD for the purpose of program monitoring and evaluation. Annual reports must be submitted to DHCD through CAMS by July 15th of every year, as required by Program Regulations. Current reports must be on file before a zone may apply for boundary and/or incentive amendments. Report findings are forwarded to the Virginia General Assembly in the Enterprise Zone Program's Annual Report. See *13VAC5-112-500* in the Program Regulations for more information about the reporting requirements.

CONSIDERATIONS FOR ZONE EVALUATION

FOCUS ON OUTCOMES:
This includes reviewing progress toward achieving local goals and objectives and examining the effectiveness of individual incentives as tools to overcome identified barriers within the zone.
There are a variety of factors to review when evaluating the goals and objectives of your Enterprise Zone. Things to consider include:

- Is the zone having the desired outcomes in terms of achieving local goals?
- Are the goals and objectives realistic?
- Is the timeframe for achieving these goals realistic?
- How well do they fit into the locality's overall community and economic development strategy?

- Could other courses of action be pursued?
- What progress has been made in pursuing opportunities and resolving high priority problems?

INCLUDE NONTRADITIONAL DATA SOURCES
Examples include business surveys, number of new utility connections, police data on reported criminal activity in the zone, and code violation activity by type and location within the zone.

INCLUDE QUALITATIVE FACTORS
Not all impacts can be quantified, but these factors can still offer a compelling indication of the success of the zone. Include a narrative discussion of these observations.

MEASURE ZONE CHANGES OVER TIME
The revitalization of an Enterprise Zone is incremental and the impacts may occur gradually throughout life of the zone. Tracking changes over time enables the locality to determine any long-term trends and subtle impacts. Public and private investment, sales tax revenues, housing activities, job creation and job losses, population, income, unemployment, job training, education, public safety, and property values are just some of the items that should be monitored over time.

DOCUMENT ZONE CHANGES WITH BEFORE AND AFTER PHOTOGRAPHS
A picture is worth a thousand words and can often instantly communicate a sense of progress that numbers alone cannot.

SHOW THE BENEFITS TO THE COMMUNITY AS A WHOLE
Positive changes in the zone have an impact on the community as a whole. Improving conditions in the zone have a multiplier effect as they ripple throughout the entire community. Be sure to share achievements.

INCORPORATE THE WORK OF COMMUNITY GROUPS
There are a number of public and private efforts that contribute to the revitalization of a zone. A locality should not limit the evaluation to its own activities, but should also document the contributions of nonprofit, religious, higher education, fraternal and professional service organizations to the success of the zone as well.

PERFORMANCE MEASURES

Below is a list of suggested outcomes to track within the boundaries of your Enterprise Zone. This list is only an example of what could be measured and is not all-inclusive. Each locality may choose any number of variables to evaluate success in the Enterprise Zone.

JOB CREATION OUTCOMES
Total new jobs added, jobs retained, types of jobs (industrial, commercial, service sectors), cost per job vs. cost of creating jobs using other local, state and federal job programs.

BUSINESS DEVELOPMENT OUTCOMES
Net new investment as a result of business expansion or relocation, micro-business creation; type and number of new start-up businesses, type and number of new jobs created.

TYPE OF FIRM (CAPITAL VERUS LABOR INTENSIVE)
Track the kinds of businesses within the zone and, if possible, the skill levels they require of their employees.

LEVERAGE RATIOS OF INVESTMENT
Determine foregone public revenue to private investment ratio.

IMPORTANCE OF INCENTIVES TO BUSINESSES
Survey businesses to determine the significance of local incentives in business retention, expansion, or relocation.

INFRASTRUCTURE IMPROVEMENTS
Track the type and amount of improvements made within the zone and compare it to the amount and type of private investment occurring during the same time period.

NEW PUBLIC FACILITIES
What public facility was placed in service? What is the level of use and what is the importance of the facility within the zone over time? The local zone administrator could document this with a user survey.

IMPROVED AMENITIES AND NEIGHBORHOOD BEAUTIFICATION
These types of improvements often relate to quality of life issues. It is important to track what activity has occurred and what individual, nonprofit, philanthropic, or public organization under took the activity. Measure the impact on the zone over time.

MONITORING LOCAL INCENTIVES

Local incentives are essential tools in achieving goals and objectives for the zone. It is important to consistently review whether or not the incentives have produced the desired results and if not, why not? Zone administrators need to develop a process to regularly monitor the usage of incentives and are asked to discuss this in the annual report they submit to DHCD. In addition to monitoring usage, the effectiveness of the incentives should also be evaluated on a regular basis. Below are basic categories of local incentives and suggestions for evaluating their effectiveness.

INVESTMENT INCENTIVES SUCH AS LOANS, TAX EXEMPTIONS AND GRANTS
What is the public to private investment ratio (for every dollar the locality has foregone how much private investment was made)? Track the types of firms using these incentives and the corresponding job creation levels.

CAPITAL FINANCING INCENTIVES SUCH AS LOW INTEREST DEVELOPMENT LOANS OR VENTURE CAPITAL FUNDS
What types of loans are applied for most often and by what types of zone businesses? Track job creation. Track the return on investment. For every loan dollar given out how much investment is generated?

REGULATORY INCENTIVES SUCH AS RELAXED LOCAL REGULATION
What regulations are most often requested for exceptions within the zone area?

PERMITTING INCENTIVES SUCH AS ONE-STOP-SHOP OR FAST TRACK PERMITTING
How often is this incentive used by zone businesses?

PUBLIC SERVICE INCENTIVES SUCH AS ENHANCED POLICING OR SECURITY AUDITS
Compare the costs of enhanced policing to the changes in reported crime over time in the zone area. What types of businesses get security audits and where are they principally located in the zone? What is the level of the business's satisfaction after participating in a security audit? Has there been any change in the crime rate, or in the business's perception of crime, or both?

EDUCATION-RELATED INCENTIVES
What educational programs are most often used by businesses and what educational programs do businesses feel their workforce needs to assist them in being more competitive?

MARKETING ENTERPRISE ZONES

An Enterprise Zone designation is a useful economic development tool only to the degree that businesses are aware of the program with an understanding of how to participate. Building awareness and participation requires marketing. Each locality is responsible for marketing its Enterprise Zone. There is a direct correlation between the level of marketing and the level of business participation. The most effective marketing efforts are guided by a plan.

Essential marketing tools include comprehensive program materials such as handouts and an up-to-date website, local workshops, and enlisting strategic partners to help market the program to targeted audiences. Banks, real estate firms, utility companies, CPA firms, and the local building department are some of the partners that should be engaged in the process.

GUIDELINES FOR DEVELOPING A SUCCESSFUL MARKETING PLAN

A strong marketing plan should include long-term guidance outlining marketing objectives, stakeholders and facilitators, the necessary tools, how much money will be spent, and how marketing success will be evaluated. The marketing plan must be clear and specific about the local intent. The locality should not take the "shot gun approach", aiming at everything and hoping something lands in the zone. Marketing resources are limited; therefore they should be targeted to businesses that are in line with the localities economic development strategy.

As you craft the plan, remember that marketing your zone should be a part of regional and state-wide efforts. It is extremely difficult to market a zone as a stand-alone entity. Prospects are typically interested in the attributes of the entire region rather than just those of the zone.

GENERAL MARKETING PLAN OUTLINE

1. **Determine the objective. What is the locality trying to accomplish within the zone in terms of community development, new jobs, business ventures and investment?**

2. **Collect data and take an inventory of the zone:**
   - Existing conditions
   - Local and regional economy
   - Trends in the market place
   - Regional factors such as competition
   - Available resources

3. **Assess the zone's environment:**
   - Assets and liabilities
   - Strengths and weaknesses
   - Key opportunities

4. **Develop the product and know what there is to sell:**
   - Demographics:
     - ► Who lives in the zone? Who works in the zone?
   - Zone inventory:
     - ► Vacant land and buildings, rents and square footage, development and rental costs, utilities, amenities.
   - Business survey:
     - ► What kinds of businesses are in the zone? Who/where are their suppliers? Why is the zone a good business location for them?

5. **Identify a target market:**
   - Geographic distribution:
     - ► Why are businesses located there in the first place? Is it because of the site, suppliers, supply costs, or market opportunities?
   - Industry types:
     - ► Consider existing businesses and look for complimentary value-added businesses, not businesses that will compete.

Who markets the Enterprise Zone?

Everybody! The broader your marketing team, the better your reach. Here are some potential partners for your marketing efforts.

- Local government officials and staff
- State government departments
- CPAs, architects, realtors
- Property and business owners, tenants
- Nonprofits, neighborhood groups
- Utilities
- Chambers of Commerce, Main Street or downtown development organizations, other key business associations
- Financial and educational institutions
- Hospitality industry
- SBDCs

6. **Devise a marketing strategy**
   - Wide Net approach:
     - ► Broad-based and general to establish an identity, offers a wide variety of benefits to all businesses.
   - Targeted approach:
     - ► Targeted and specific to sell an opportunity, focuses on specific business categories or an individual company.
   - Amenities
     - ► All strategies should include aspects of business retention, encouraging business start-ups, business recruitment, and the development of value-added products.

7. **Develop an implementation plan:**
   - Specify projects and task
   - Set deadlines for accomplishments
   - Delineate responsibilities
   - Define both short and long-term activities

8. **Follow-up and evaluate marketing activities:**
   - Follow-up on tasks and actions
   - Review objectives and accomplishments
   - Evaluate the results
   - Identify gaps
   - Redirect resources (if appropriate)

ZONE RENEWAL

Enterprise zones designated pursuant to 13VAC5-112-460 are in effect for an initial 10-year period with up to **three** five-year renewal periods, except as provided for in 13VAC5-112-510 and 13VAC5-112-520. **Enterprise zones designated prior to July 1, 2005 are eligible for one five-year renewal.** Recommendations for five-year renewals shall be based on the locality's performance of its enterprise zone responsibilities, the continued need for such a zone, and its effectiveness in creating jobs and capital investment.

In anticipation of the tenth, fifteenth, and twentieth anniversaries of an enterprise zone's designation, the locality (s) shall submit to the department on the prescribed form information regarding, but not limited to, (i) the area conditions; (ii) the continued need for the enterprise zone; (iii) its long-term effectiveness in creating jobs and capital investment. The department shall also consider the locality(s) long-term performance of enterprise zone responsibilities."

DHCD will inform each zone when they will need to submit a renewal application. These applications are non-competitive and will be submitted through CAMS.

ZONE TERMINATION

According to [Statute](#) (§ 59.1-546) and [Program Regulations](#) (13VAC5-112-510 - 520), there are several circumstances under which DHCD may recommend an Enterprise Zone for termination:

FAILURE TO QUALIFY FOR STATE INCENTIVES:
If a zone fails to have any business firms qualify for state Enterprise Zone incentives within five-consecutive-year period, DHCD shall recommend termination. Localities will not be able to rectify the situation once the five years of inactivity has elapsed.

FAILURE TO PROVIDE LOCAL PROGRAM INCENTIVES:
If a locality or an assigned agent is unable or unwilling to provide any of the approved local Enterprise Zone incentives, the locality must:

1. Notify the Department in writing within 30 days of inability or unwillingness to provide approved local incentive(s).
2. Request an incentive amendment to the zone application within 60 days of sending the written notification.

The zone will remain designated if the amendment is approved. If a locality fails to provide notice, does not offer replacement incentives, or has its incentive amendment denied, the Department will recommend to the Governor that the zone be terminated. In the case of a joint zone, these procedures will apply if any participating locality or assigned agent is unable or unwilling to provide approved local incentives.

TERMINIATION EFFECT ON BUSINESS QUALIFICATION
Qualified business firms located in a terminated zone may continue to request tax credits and job creation grants for any remaining years in the qualification period for which they are eligible. After the date of zone termination, no additional business firms or zone investors may apply to receive state Enterprise Zone incentives.

QUESTIONS AND ASSISTANCE

Contact the Enterprise Zone staff at DHCD with any questions or requests for assistance.

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