



Enterprise Zone Incentives Fact Sheet

Incentive 1 - High Tech Business Location & Expansion

The purpose of this incentive is to attract high-tech and capital intensive companies to the Zone, encourage expansion of existing companies, and to diversify the local employment base.

Description: Three-year cash incentive grant for new locations or expansions of businesses that make the following investments:

- \$1 million investment in new machinery and tools: Annual cash grant equal to 50% of increased machinery and tools tax.
- \$500,000 investment in personal property: Annual cash grant equal to 50% of increased personal property tax.

Qualification Requirements: New or expanding business whose location or expansion includes an investment of at least \$1 million in machinery and tools or \$500,000 in personal property

Incentive 2 - Professional Jobs Grant

The purpose of this incentive is to attract major employers who diversify the local employment base and create high paying jobs compared to the market average.

Description: Cash grant to incentivize professional job creation in the Staunton Enterprise Zone for significant (15+ employee) firms. The incentive grant is equal to \$1,000 for each eligible full-time job created, up to a maximum of \$25,000 per employer.

Qualification Requirements: Professional services industry must (a) locate or expand in the City of Staunton Enterprise Zone, (b) create at least 15 new full-time jobs with benefits, (c) pay at least 300% of the federal minimum wage for each new job counted under the incentive, and (d) have been in operation for at least one year in the City of Staunton at the time of application.

Incentive 3 - Premier Company Location Incentive

This incentive provides customized solutions for premier employers and can be leveraged with the Governor's Opportunity Fund and other economic development incentive programs.

Description: For major development projects of at least \$2.5 million in capital investment and which complement the employment and economic development goals of the City, the City of Staunton will negotiate a local incentive tailored to the individual needs of the business prospect. The incentive's value will be equivalent to a 3 to 5-year return on investment for the City of Staunton-based on projected new tax revenue associated with the new location or expansion.

Qualification Requirements: Capital investment of at least \$2.5 million and at least 25 new full-time jobs creating paying at least 300% of the federal minimum wage.

Incentive 4 - Creative Class / Entrepreneurship

This innovative incentive attracts and fosters small business development that diversifies Staunton's economy and has strong potential for future business growth and expansion.

Description: To attract entrepreneurial-based business in target sectors, the City of Staunton supports a micro-lending institution to ensure access to capital for emerging and start-up small businesses. Also, new and expanding qualifying industries may access any combination of the following incentives up to a total value of \$3,000:

- Interest-rate buy-down on start-up or expansion loan;
- Refund of broadband connection fees;
- \$2,000 cultural amenity package, providing tickets and entrance opportunities for Staunton's local arts and cultural destinations; and
- \$500 cash grant for each full-time job created for up to 5 employees. Qualifying jobs must pay at least 300% of the federal minimum wage.

Qualification Requirements: Business must be a new or significantly expanding that meets the definition of a "Creative Class" target sector within the Professional, Scientific, and Technical Services Sector (NAICS 54), including:

- 5413 Architectural, Engineering, and Related Services
- 5414 Specialized Design Services
- 5415 Computer Systems Design and Related Services
- 5416 Management, Scientific, and Technical Consulting Services
- 5417 Scientific Research and Development Services
- 5418 Advertising, Public Relations, and Related Services
- 5419 Other Professional, Scientific, and Technical Services

Incentive 5 - Destination Retail

This incentive attracts new anchor retailers to the downtown area, generating additional traffic that reinforces downtown as a tourist and shopping destination while generating additional walk-by traffic for other downtown stores.

Description: For new destination retailers in the Central Business District and Newtown portion of the Enterprise Zone, marketing incentives will include both:

- A 50% reimbursement of marketing expenses completed in the first six months after opening, with an incentive cap of \$5,000 per business.
- Free two-year membership to Staunton Downtown Development Association (SDDA), which includes marketing opportunities through the e-blast, newsletter, and website.
- If the marketing is conducted with or through a Staunton-based business, reimbursement is available at a 100% rate rather than a 50% match, but the \$5,000 incentive cap remains in place.

Qualification Requirements: Available to target sector destination retailers including furniture stores, supermarkets or other non-convenience grocery stores, quality apparel stores, music instrument retailers, high-end auto dealerships, and book and music retailers.

Incentive 6 - Minority Business Incentive

This incentive ensures that entrepreneurs of all backgrounds have access to business development services and entrepreneurial opportunities.

Description: Minority entrepreneurs considering locating or expanding a new or existing business in the Staunton Enterprise Zone will receive a \$200 scholarship to the Staunton Creative Community Fund Inc.'s Business Plan Development Course. Although not a guarantee of financing, this business plan development course assists entrepreneurs in creating an economically viable business plan and is often the first step in obtaining microloan financing for business start-up or expansion.

Incentive 7 - Property Tax Exemption

This incentive encourages redevelopment, infill developments, and real property investment in the Enterprise Zone.

Description: Any property owner who makes repairs, renovations, or other structural or interior improvements to his/her industrial or commercial property such that its assessed value increases by at least 40% will receive a 5-year exemption on the increased real property taxes associated with the improvements.

Incentive 8 - Increased Property Tax Exemption for Low Impact Development

This incentive encourages green development practices to be incorporated into Enterprise Zone projects.

Description: Any property owner who qualifies for Incentive 7 above, and who as part of a new development or redevelopment has 50% pervious surface area, may receive one additional year of property tax exemption.

Please note that each year a budgeted amount of grant funds are allocated for enterprise zone benefits and in the event total grant subscription exceeds the budgeted funding, grants may be prorated in a proportional amount according to Staunton City Code § 3.45.050 (3).

Note: Incentives 1-3 are distributed once each year as a result of grant applications received on or before March 1st. Incentives 4-6 are distributed throughout the year on a first-come, first-served basis. Incentives 7-8 are tax exemptions tied to the real estate tax cycle.