



## What *is* the Staunton Enterprise Zone?

The Staunton Enterprise Zone provides incentives to encourage new business location and existing business expansion in a geographic area of the city targeted for business development. There are two sets of incentives available to qualifying businesses and/or property owners: “local” benefits from the City of Staunton and “state” benefits from the Commonwealth of Virginia administered by the Department of Housing and Community Development. The local incentives are designed to benefit specific businesses identified by the Department of Economic Development as those businesses most needed in the Staunton community in order to create high-paying jobs and diversify the tax base.

## >>> Steps for Applying for LOCAL (Staunton) Incentives

- Contact the Staunton Department of Economic Development to obtain an Enterprise Zone status form.
- By completing and returning the status form, you will receive Enterprise Zone special notices, including grant application materials.
- 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-serve basis. Incentives 7-8 are tax exemptions tied to the real estate tax cycle.
- When completing the Enterprise Zone grant application, be sure to attach all appropriate support documents.
- Note that all grant applications require a completed Staunton “Certificate of Good Standing.”
- Return all application materials to the Staunton Economic Development Office. You may mail, fax, or hand-deliver the application materials.
- The City of Staunton will distribute grant payments before June 30 each year for Incentives 1-3. Incentives 4-6 are distributed throughout the year on a first-come, first-serve basis. Incentives 7-8 are tax exemptions tied to the real estate tax cycle.
- Each year a budgeted amount of grant funds are allocated for Enterprise Zone grants. In the event total grant subscription exceeds the budgeted funding, grants may be prorated.



### Questions?

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Read more about Staunton's Enterprise Zone at [www.stauntonbusiness.com](http://www.stauntonbusiness.com)



## STAUNTON ENTERPRISE ZONE



HELPING THE GROWTH AND EXPANSION  
OF BUSINESS IN THE CITY OF STAUNTON

Local incentives may be available to businesses qualifying as Enterprise Zone businesses as of January 1, 2010. Incentives 1-3 are distributed once each year as a result of grant applications received on or before March 1<sup>st</sup>. Incentives 4-6 are distributed throughout the year on a first-come, first-serve basis. Incentives 7-8 are tax exemptions tied to the real estate tax cycle.

*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).*

**INCENTIVE #1**  
**High Tech Business Location & Expansion**

Three year cash incentive grant for new locations or expansions of businesses that invest \$1 million in new machinery and tools OR \$500,000 in personal property. The annual cash grant is equal to 50% of increased machinery and tools OR personal property tax.

**INCENTIVE #2**  
**Professional Jobs Grant**

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

**INCENTIVE #3**  
**Premier Company Location Incentive**

For major development projects of at least \$2.5 million in capital investment and at least 25 new full-time jobs paying at least 300% of the federal minimum wage, the City of Staunton will negotiate a local incentive package tailored to the individual needs of the business. The value of the incentive 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.

**INCENTIVE #4**  
**Creative Class/Entrepreneurship**

New and expanding qualifying industries may access any combination of the following incentives up to a total value of \$3,000.

1. Interest-rate buy-down on start-up or expansion loan;
2. Refund of broadband connection fees;
3. \$2,000 cultural amenity package, providing tickets and entrance opportunities for Staunton's local arts and cultural destinations; and
4. \$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 Staunton's 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**

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

1. A 50% reimbursement of marketing expenses completed in the first six months after opening, with an incentive cap of \$5,000 per business; and
2. Free two year membership to Staunton Downtown Development Association (SDDA), which includes marketing opportunities through SDDA's e-blast, newsletter, and website.

**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**

To ensure that entrepreneurs of all backgrounds have access to business development services and entrepreneurial opportunities, minority entrepreneurs considering locating a new business or expanding an existing business in the Staunton Enterprise Zone will receive a \$200 scholarship to the Staunton Creative Community Fund Inc.'s Business Plan Development Course.

**INCENTIVE #7**  
**Property Tax Exemption**

To encourage redevelopment, infill development, and real property investment in the Enterprise Zone, 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**

To encourage green development practices to be incorporated into Enterprise Zone projects, 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.

**General Benefits**

**Leverage Funding:** The City of Staunton has been and intends to remain a leader in providing comprehensive business development services to local entrepreneurs, developers, and growing business interests. Contact the Staunton Department of Economic Development to better understand and access microloans, historic tax credits, New Markets Tax Credits, and other business resources.

**Business Retention Event / Enterprise Zone Workshop:** Once a year the Staunton Economic Development office will provide at least one Business Retention Event and/or Enterprise Zone Workshop. This benefit ensures that all existing and prospective Enterprise Zone businesses are aware of available incentives and can receive technical assistance on application submissions.

**Pre-Development Ombudsman:** Enterprise Zone projects qualifying for local incentives will, if requested, be assigned a pre-development ombudsman in the planning and inspections office. This ombudsman will be responsible for guiding the project through the site plan review process.

**Priority Scheduling for Developmental Review Meetings:** Enterprise Zone projects may request through the City's Economic Development office priority scheduling for development review meetings. These sessions involve representatives from all departments involved in plan review process and address upfront questions and concerns prior to full plan submittal.



APPLICATIONS FOR STATE GRANTS are due to the Virginia Department of Housing and Community Development by April 1 of each year.

The Virginia Enterprise Zone is administered by the Virginia Department of Housing and Community Development. There are two state incentives available to businesses and/or property owners located in the Staunton Enterprise Zone.

**Job Creation Grants**

- Eligible positions must be permanent full time jobs (over a four job threshold) with wage rates of at least 175 percent of the Federal minimum wage and with the availability of health benefits.
- Personal service, retail, food and beverage businesses are not eligible to apply for job creation grants.
- The amount of the grant will be based on the wages paid for those grant eligible positions.

**Real Property Investments Grants**

- Qualified real property investments made to commercial, industrial, or mixed use buildings or facilities in the Staunton Enterprise Zone may be eligible.
- For existing building renovation, a minimum of \$100,000 must be spent in order to apply for the grant. For new construction, the minimum is \$500,000.
- The amount of the grant is 20 percent of the hard cost of qualified real property investment OVER the \$100,000 or \$500,000 investment threshold.
- The grant is capped at \$100,000 per building or facility for investments less than \$5 million, and \$200,000 for investments of \$5 million or more.

