

Enterprise Zone Program

Local and State Incentives Guide



Promote
Entrepreneurship

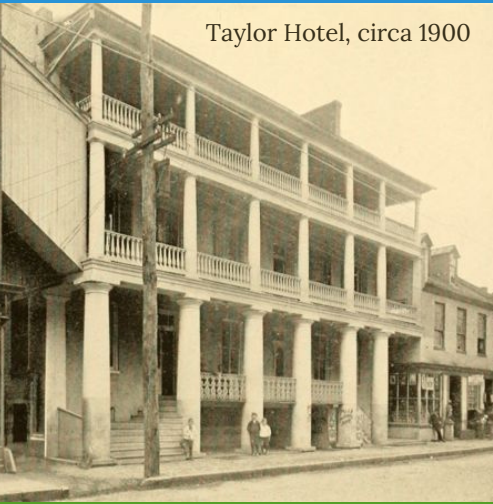
Redevelop

Job Creation

Business Expansion



What is the Enterprise Zone Program?



Taylor Hotel, circa 1900

Built in 1848, then vacant and blighted since 2004, the Taylor Hotel and Fly Tower were purchased and renovated by the EDA in 2011.

Through the use of Historic Tax Credits, Federal and State Grants, and the Enterprise Zone Incentives, they were able to restore the Hotel and Fly Tower to their original beauty with seven luxury apartments, two restaurants, and a public outdoor pavilion.

The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government that encourages job creation and private investment.

The Commonwealth of Virginia authorized the creation of these local incentives and tools to property developers and business owners to encourage real estate development, business expansion, and job growth in targeted areas of the City.

In 2013, the Commonwealth of Virginia designated the City of Winchester as an Enterprise Zone Community, acknowledging the strong connection between successful business growth and positive community development.

Virginia Enterprise Zone Program

The Virginia Enterprise Zone Program is administered by the Virginia Department of Housing and Community Development.

There are two state incentives offered to business owners and property developers in the Winchester Enterprise Zone.*

For more information:
www.dhcd.virginia.gov
EZone@DHCD.virginia.gov

State Incentives

Job Creation Grant

- Grant provided to businesses creating permanent full-time jobs (over a four-job threshold), exceeding qualifying wage thresholds, and making health benefits available.
- Personal service, retail, food, and beverage businesses are not eligible to apply.
- The grant amount will be based on the wages paid for those grant eligible positions.

Real Property Investment Grant

- Grant provided for qualified real property investments made to a commercial, industrial, or mixed-use building in the Enterprise Zone.
- A minimum of \$100,000 must be spent on existing building renovations, and \$500,000 must be spent on new construction.
- The grant is capped at \$100,000 per building for investments less than \$5 million and \$200,000 for investments of \$5 million or more.

*In an effort to prioritize job creation, Job Creation Grants will receive funding priority should grant requests exceed available funds. In the event that grant requests exceed allocated funding, Real Property Investment Grants may be subject to proration.

Local Winchester Incentives

The following incentives are available to businesses located in the City of Winchester's two Enterprise Zones.

Loans	
Commercial Facade Loan	Low-interest loans of up to \$35,000 are available for businesses and property owners that wish to make exterior improvements such as signage, masonry repair, painting, awnings, window repair/decals, and landscape costs.
Business Growth Revolving Loan Fund*	Below-market gap financing for small-to-medium-sized businesses that cannot fully finance their proposed projects with equity and other public and private financing sources. The maximum loan amount is \$100,000 or 45% of the project's projected cost, whichever is less.
Real Estate Development Revolving Loan Fund*	Below-market gap financing for small-to-medium-sized mixed-use or non-residential real estate projects where the vacant or underutilized property will be put to productive use and cannot be fully financed with equity and other public and private financing sources. It may be used for land costs that include acquisition and site preparation, building costs, soft costs associated with development, and bridge financing, where other sources of capital are expected to flow into the project at a later date. The maximum loan amount is \$250,000 or 45% of the projected cost, whichever is less.
Enterprise Zone Micro-Loan Program	Loans at 7% with a 24-month term between \$1,000 to \$10,000 are available to help new or existing businesses fund working capital, minor leasehold improvements, and small equipment and furniture needs.

***These incentives are offered City-wide.**

Taylor Hotel & Pavilion

Revolving Loan Fund Program and
Real Property Investment Grant
119-121 N. Loudoun Street



Tax Exemptions

Major Mixed-Use Development Incentive

Provides part or complete public on-site infrastructure financing (based upon limits) for a mixed-use development with private investment of at least \$5 million. The financing contribution would equal at least 35% - 65% of net new taxes paid to the City resulting from the project.

Exemption from Land Development Fees

Expedited development and building permit review. Refund of building permit fees, zoning application fees, and subdivision plat for non-residential and residential projects.

Major Economic Development Project

A grant equal to the present value of 100% of net new taxes paid by a company over three years, paid annually in arrears or as an upfront incentive secured by a forgivable deed of trust, requiring a capital investment of at least \$2.5 million and the creation of at least 25 new jobs paying at least the City's median income.

Substantially Rehabilitated Commercial/Industrial/Property Tax Exemption*

Provides a tax exemption for a period of ten years for improvements of at least 40% to substantially rehabilitated real estate within the Enterprise Zone.

***These incentives are also available in the Winchester Historic District.**

Local Winchester Incentives

Grants

Professional Job Creation Grant	A one-time cash payment of \$1,500 per position if the firm creates between one and two full-time eligible jobs over their base employment number, and \$2,000 per position if the firm creates an additional one to five jobs (maximum award \$25,000).
Exterior Improvement Grant	Provides funding (up to \$10,000) for half the project cost for qualifying property owners who complete exterior improvements such as painting, awnings, and signage to commercial, industrial, or mixed-use buildings.
Entrepreneurship Grant	Provides funding (up to \$1,000) for half the cost of website design and construction (paid to a city-based design provider), half the cost (up to \$500) of website hosting or high-speed internet access, and a 200-basis point interest rate reduction on a Winchester Enterprise Zone Micro-Loan.



Winchester Book Gallery

Real Estate Development Revolving
Loan Fund
7 N. Loudoun St

Commercial and Mixed-Use Property Rehabilitation Grant

Provides a one-time cash grant (up to \$15,000 depending upon assessed value) for a commercial or mixed-use property that has been substantially rehabilitated by at least 40%.

Business Development Grant for Vacant Properties

Property must have been vacant for 2 years or more prior to the rehabilitation. The property must be "substantial rehabilitated," equaling 75% of the property's assessed value. Provides a grant amount of 25%-100% (depending upon square footage) of new City business tax revenues generated, paid annually in arrears for five years.

New or Expanding Technology-Driven Business Grant

Provides a series of grants, in arrears, equal to 50% of net new taxes paid to the City over 5 years for high-tech firms making a capital investment of at least \$1 million.

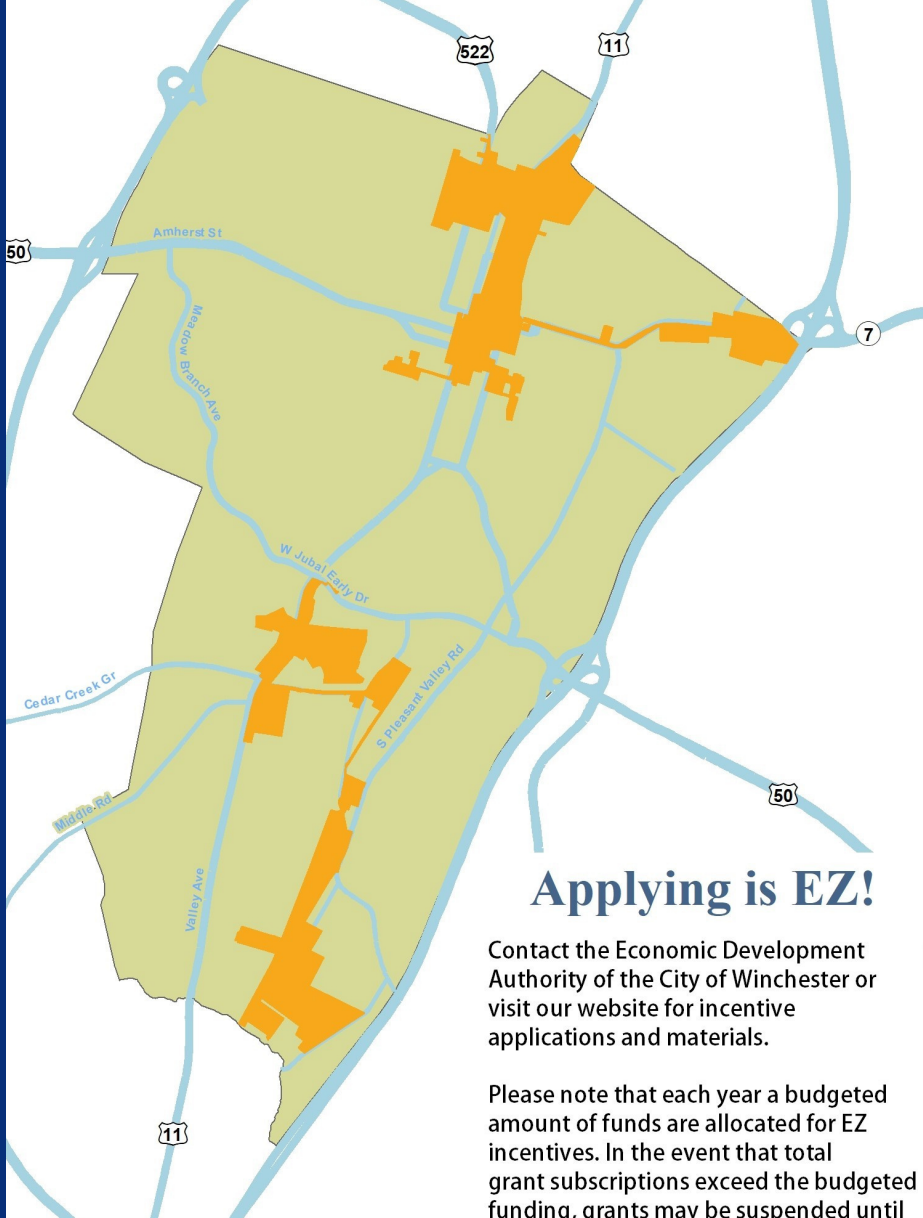
The Hideaway Cafe

Exterior Improvement Grant
141 S. Loudoun St





Check the
map to see
if your
business is
in the
Enterprise
Zone!

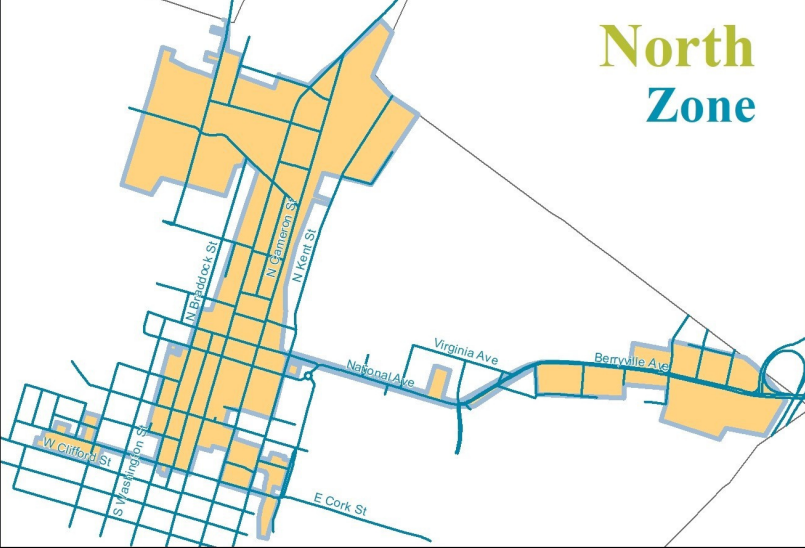


Applying is EZ!

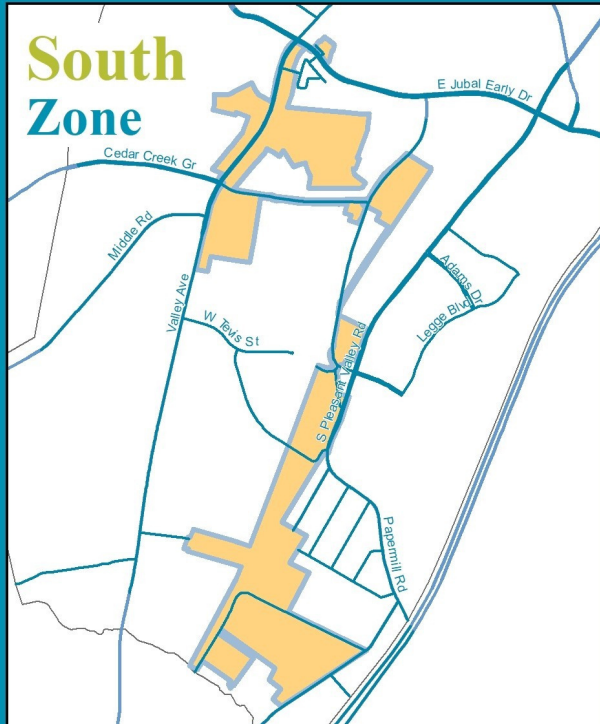
Contact the Economic Development Authority of the City of Winchester or visit our website for incentive applications and materials.

Please note that each year a budgeted amount of funds are allocated for EZ incentives. In the event that total grant subscriptions exceed the budgeted funding, grants may be suspended until additional funding is obtained.

North Zone



South Zone





"Preserving irreplaceable sites such as the Old Star Building that tell Winchester's story is a top priority for OakCrest Companies. A restoration project of this magnitude certainly brings with it unique challenges of budget, schedule, design, and job-specific problems. Very early in the project, we learned about the Real Estate Development Revolving Loan Fund offered by the Winchester Economic Development Authority as part of their Enterprise Zone Program. The Revolving Loan Fund is a fantastic program that provided us with the additional borrowing power to make the restoration project financially viable. The application was very simple, and the entire process was streamlined. It is truly a great way to access capital with ease and affordability."

Jim Vickers, Chairman/CEO of Oakcrest Properties



To apply for an incentive or to learn more about each one listed, please visit the EDA website at:

developwinchesterva.com

