



## Newport News Business and Commercial Property Incentive Summary

### Overview

Newport News offers a number of incentives to assist businesses and commercial property owners investing in Newport News. The variety of incentives and programs available allows the City to support the growth of both small and large businesses and assist with expansions of existing businesses and relocations of varying levels.

This document provides an overview of the many programs the City and the Economic Development Authority (EDA) offer, along with information on program eligibility requirements.

Detailed information is available on the websites <http://nnva.gov/567/Development> and <http://www.newportnewsva.com>. For more information and the opportunity to discuss specific incentives and programs, call Derek Perry (597-2840, Ext. 6; [deperry@nnva.gov](mailto:deperry@nnva.gov)) or Shakir Johnson (597-2840; Ext. 3, [sdjohnson@nnva.gov](mailto:sdjohnson@nnva.gov)).

### Contents

Enterprise Zone Incentives . . . . .	Page 2
Tourism Zone Incentives . . . . .	Page 9
Technology Zone Incentives . . . . .	Page 14
City-wide Programs . . . . .	Page 16

## Enterprise Zone Incentives

**Real Property Investment Grant (Commonwealth of Virginia)** – Subject to State fund availability, up to 20% of the cost of renovation or addition or of new construction on amounts above the minimum thresholds noted below, up to a maximum grant of \$100,000. Grant is \$200,000 if cost of construction or renovation is more than \$5,000,000.

- Available to owners of commercial or industrial property and leaseholders who own improvements in a Virginia Enterprise Zone.
- Property must be at least 30% commercial or industrial.
- Expenditures must exceed minimum amounts: \$100,000 for renovation or expansion; \$500,000 for new construction.
- Purchase of land, existing improvements and soft costs and fees are not eligible costs.

**Job Creation Grant (Commonwealth of Virginia)** – \$500 for each qualifying new full-time job created above the four-job created threshold, delivered annually for a five-year period. Amount is \$800 for jobs paying at least 200% of federal minimum wage, with health benefits.

- Jobs must be permanent full-time employment new to Virginia and located in a Virginia Enterprise Zone. Retail, restaurant and personal service firms are not eligible.
- Jobs must pay at least 175% of federal minimum wage and provide health benefits.
- Maximum grant per firm per year is \$280,000.
- Businesses receiving Enterprise Zone Job Grants are not eligible to receive Virginia Major Business Facilities Expansion Tax Credits.

**Expansion/Relocation Cost Reduction Incentive (City of Newport News)** – A customized incentive available to companies in targeted industries investing \$2.5 million or more in capital investment, machinery and tools and/or business personal property. The company must also create at least twenty-five (25) new full-time jobs meeting a minimum salary requirement.

**Business License Fee Refund (City of Newport News)** – A refund of business license fees for 10 years. In Zones #1, #1-A and #3 (see attached maps), 100% of the fee is refunded in year 1, 80% in year 2 and 60% in years 3-10, up to an annual maximum of \$10,000. In Zone #3-A, 80% of the fee is refunded in year 1, 60% in year 2 and 40% in years 3-5, up to an annual maximum of \$10,000. The Business License Fee Refund is not available to recipients of the Expansion/Relocation Cost Reduction Incentive.

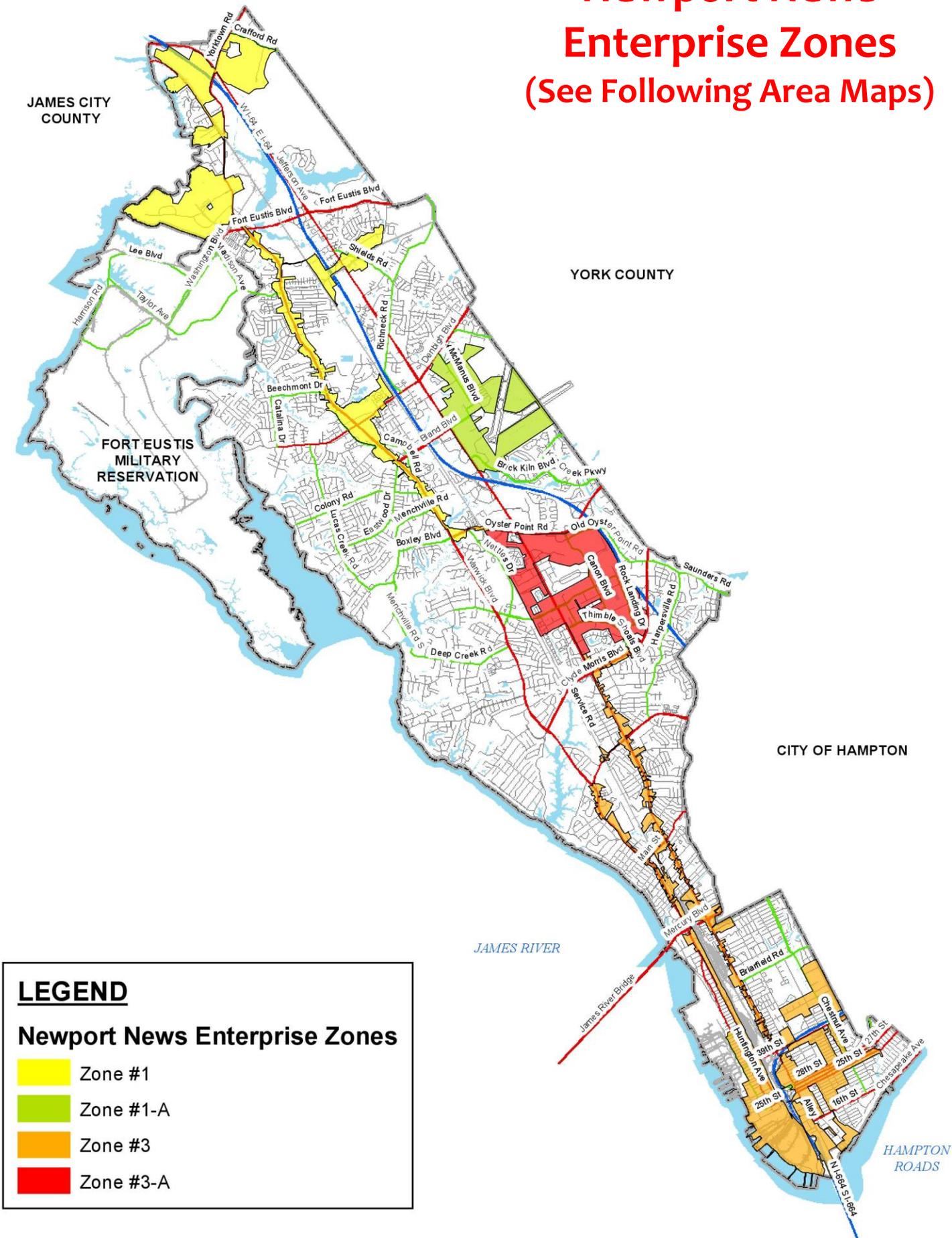
<b>Business License Fee Refund - Minimum Eligibility Requirements</b>				
<b>Enterprise Zone #</b>	<b>New Firm</b>		<b>Existing Firm</b>	
	<b>Capital Investment</b>	<b>New Jobs</b>	<b>Capital Investment</b>	<b>New Jobs</b>
<b>Zone #1</b>	75,000	5	75,000	10% Increase (5 Minimum)
<b>Zone #1-A</b>	75,000	5	75,000	10% Increase (5 Minimum)
<b>Zone #3</b>	50,000	2	50,000	10% Increase (2 Minimum)
<b>Zone #3-A</b>	200,000	15	200,000	10% Increase (15 Minimum)

**Refund of Local Electric and Gas Utility Taxes (City of Newport News)** – A refund of local utility taxes for 10 years. In Zones #1, #1-A and #3, 100% of the fee is refunded in year 1, 80% in year 2 and 60% in years 3-10. In Zone #3-A, 80% of the fee is refunded in year 1, 60% in year 2 and 40% in years 3-5. The Local Utility Tax Refund is not available to recipients of the Expansion/Relocation Cost Reduction Incentive.

<b>Local Electric and Gas Utility Taxes Refund - Minimum Eligibility Requirements</b>				
<b>Enterprise Zone #</b>	<b>New Firm</b>		<b>Existing Firm</b>	
	<b>Capital Investment</b>	<b>New Jobs</b>	<b>Capital Investment</b>	<b>New Jobs</b>
<b>Zone #1</b>	50,000	3	50,000	10% Increase (3 Minimum)
<b>Zone #1-A</b>	50,000	3	50,000	10% Increase (3 Minimum)
<b>Zone #3</b>	50,000	2	50,000	10% Increase (2 Minimum)
<b>Zone #3-A</b>	200,000	15	200,000	10% Increase (15 Minimum)

**The following maps define the boundaries of the City’s Enterprise Zones and note the minimum requirements to qualify for incentives.**

# Newport News Enterprise Zones (See Following Area Maps)



**LEGEND**

**Newport News Enterprise Zones**

- Zone #1
- Zone #1-A
- Zone #3
- Zone #3-A

# Enterprise Zone

# #1

YORK COUNTY

JAMES CITY COUNTY

FORT EUSTIS MILITARY RESERVATION

**Minimum Eligibility Requirements**  
**New:** \$50,000 Capital Investment **AND**  
 3 New Full-Time Equivalent Jobs  
**Existing:** \$50,000 Capital Investment **AND**  
 10% Increase in Jobs (3 Minimum)

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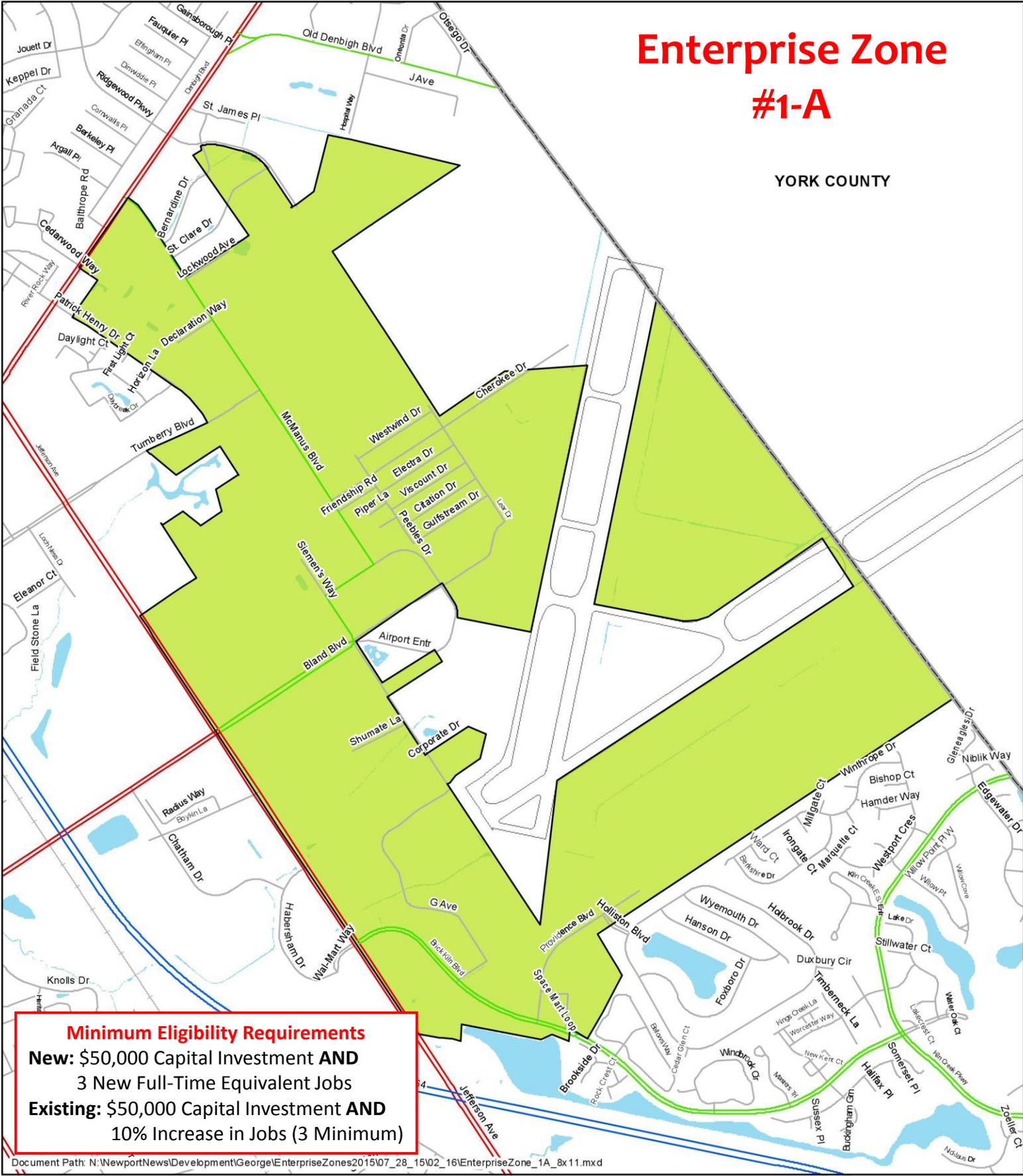


## NEWPORT NEWS ENTERPRISE ZONE #1



# Enterprise Zone #1-A

YORK COUNTY



**Minimum Eligibility Requirements**  
**New:** \$50,000 Capital Investment **AND**  
3 New Full-Time Equivalent Jobs  
**Existing:** \$50,000 Capital Investment **AND**  
10% Increase in Jobs (3 Minimum)

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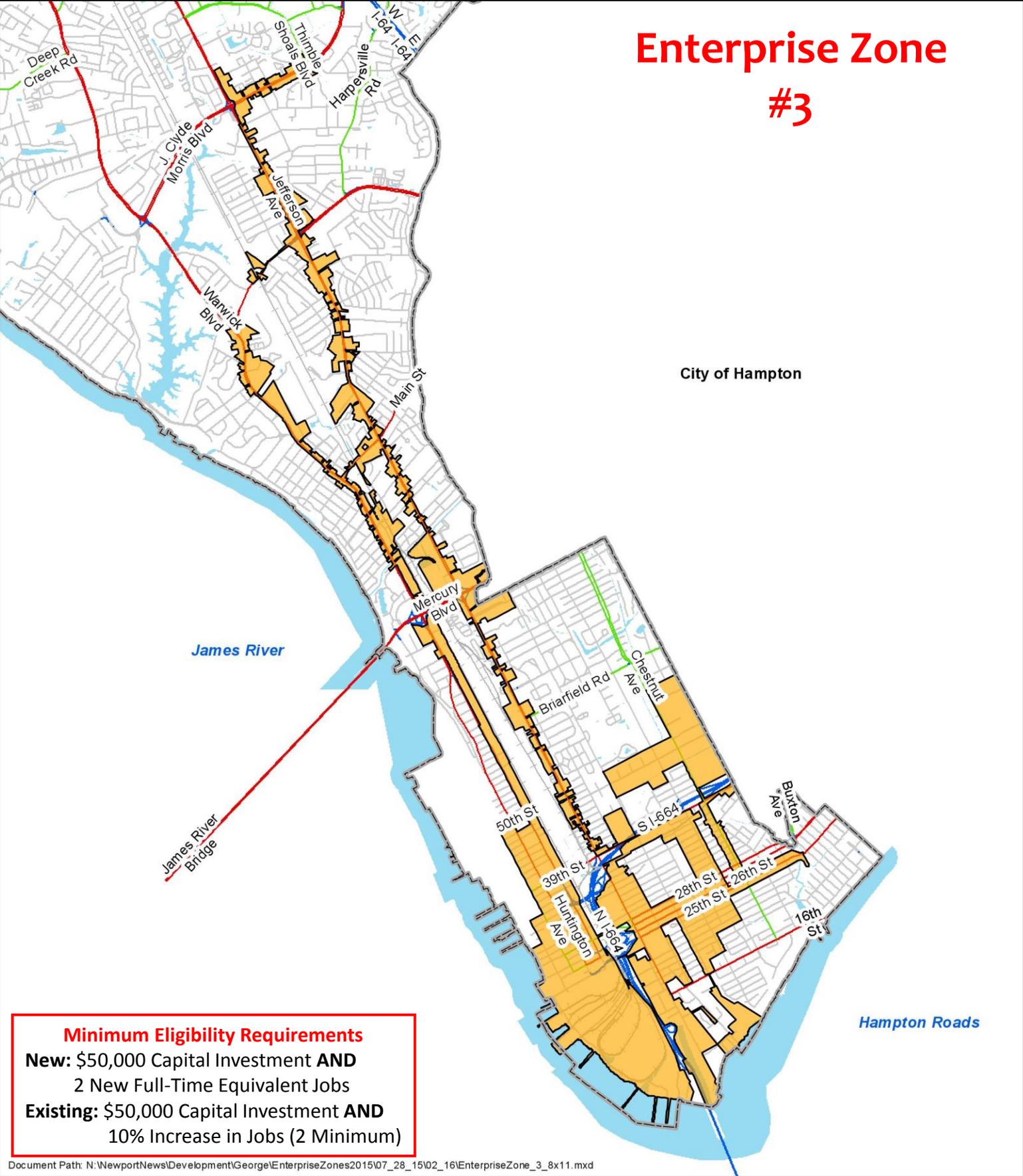
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## NEWPORT NEWS ENTERPRISE ZONE #1-A



# Enterprise Zone #3



**Minimum Eligibility Requirements**  
**New:** \$50,000 Capital Investment **AND**  
2 New Full-Time Equivalent Jobs  
**Existing:** \$50,000 Capital Investment **AND**  
10% Increase in Jobs (2 Minimum)

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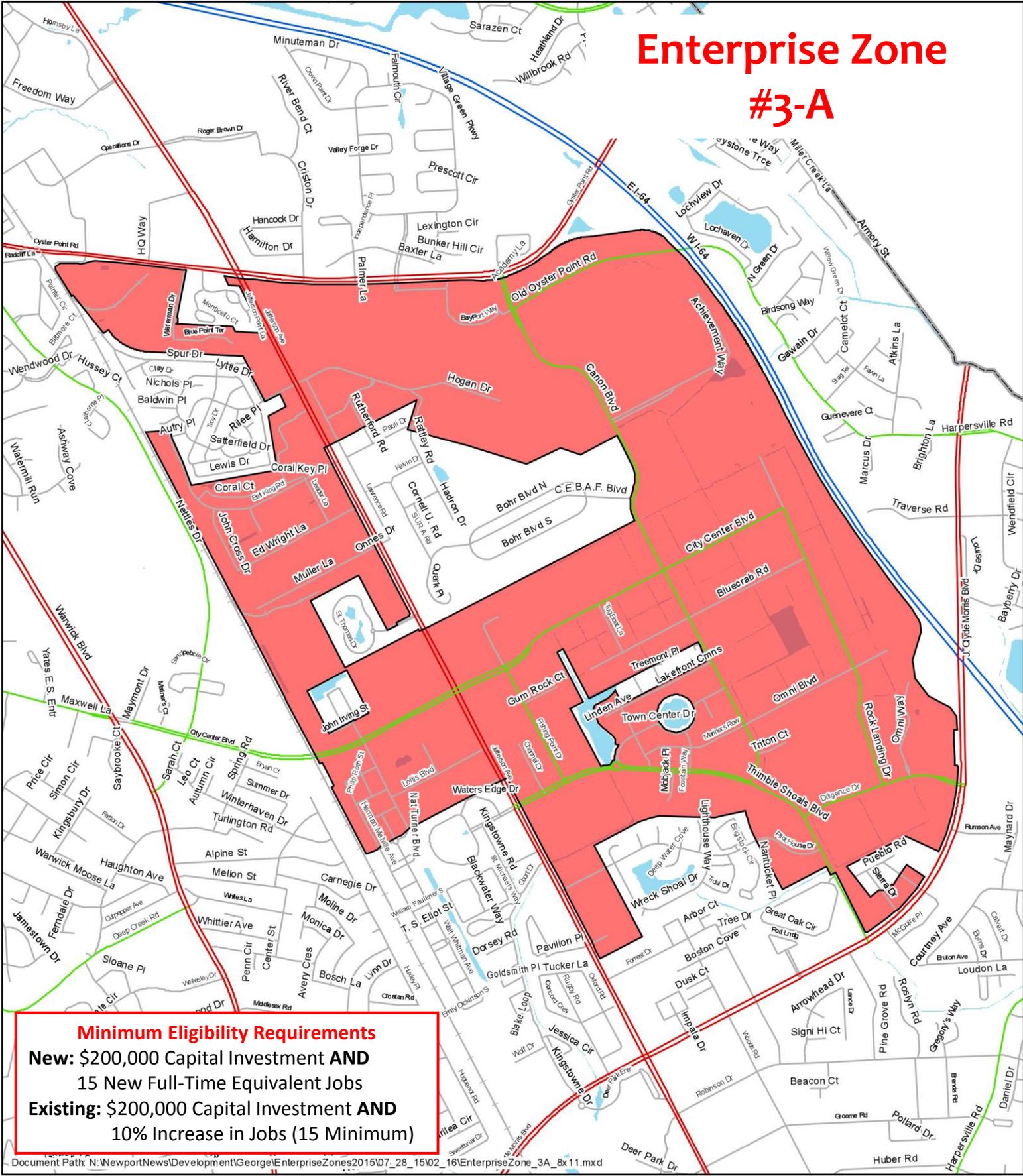
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## NEWPORT NEWS ENTERPRISE ZONE #3



# Enterprise Zone #3-A



**Minimum Eligibility Requirements**  
**New:** \$200,000 Capital Investment **AND**  
15 New Full-Time Equivalent Jobs  
**Existing:** \$200,000 Capital Investment **AND**  
10% Increase in Jobs (15 Minimum)

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## NEWPORT NEWS ENTERPRISE ZONE #3-A



## Tourism Zone Incentives

Tourism Zones exist for Upper Warwick Boulevard/Denbigh, the Southeast Community, Greater Hilton, and the Patrick Henry area (see attached maps). If businesses meet full-time employment and capital investment criteria, they may receive incentives in the form of a reduction or waiver of Business, Professional, and Occupational License taxes and performance grants based on tax revenue from meals, lodging, admissions and local sales tax, as applicable.

To determine the benefit, projects are scored using a point system. Projects are evaluated based upon the following categories:

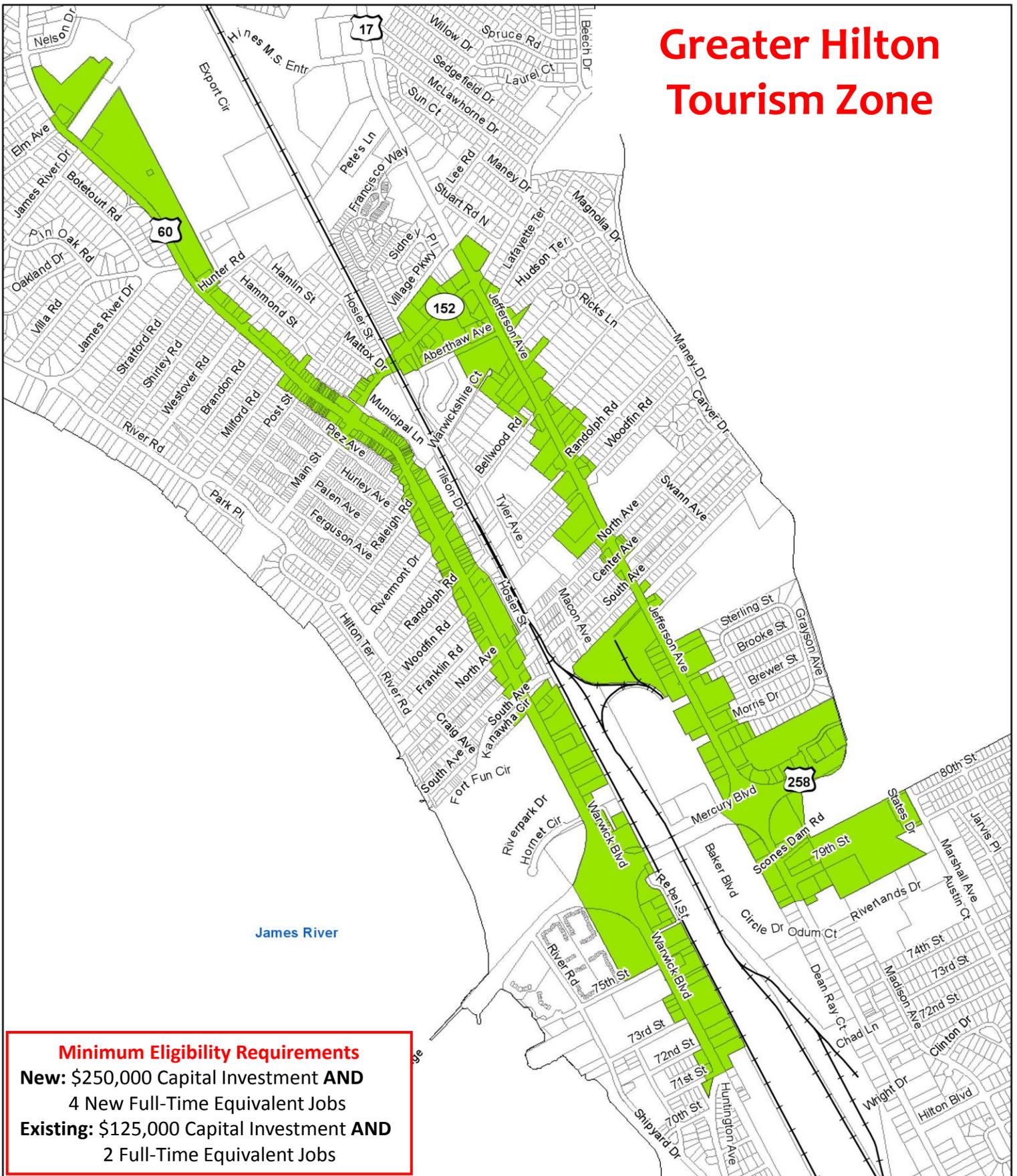
- Capital Investment
- Job Creation
- Eligible Local Taxes Generated
- BPOL Tax Generated
- Annual Contribution to City’s Strategic Priorities
- Environmental Innovation
- Public Art Contribution
- SMaM Certified Business

Depending on the total number of points scored, firms may be eligible for a waiver of part or all of BPOL tax for up to 10 years.

<b>Tourism Zone - Minimum Eligibility Requirements</b>				
<b>Tourism Zone</b>	<b>New Firm</b>		<b>Existing Firm</b>	
	<b>Capital Investment</b>	<b>New Jobs</b>	<b>Capital Investment</b>	<b>New Jobs</b>
<b>Greater Hilton</b>	250,000	4	125,000	2
<b>Patrick Henry</b>	500,000	8	250,000	4
<b>Southeast Community</b>	250,000	4	125,000	2
<b>Upper Warwick Boulevard / Denbigh Blvd.</b>	250,000	4	125,000	2

**The following maps define the boundaries of the City’s Tourism Zones and note the minimum requirements to qualify for incentives.**

# Greater Hilton Tourism Zone



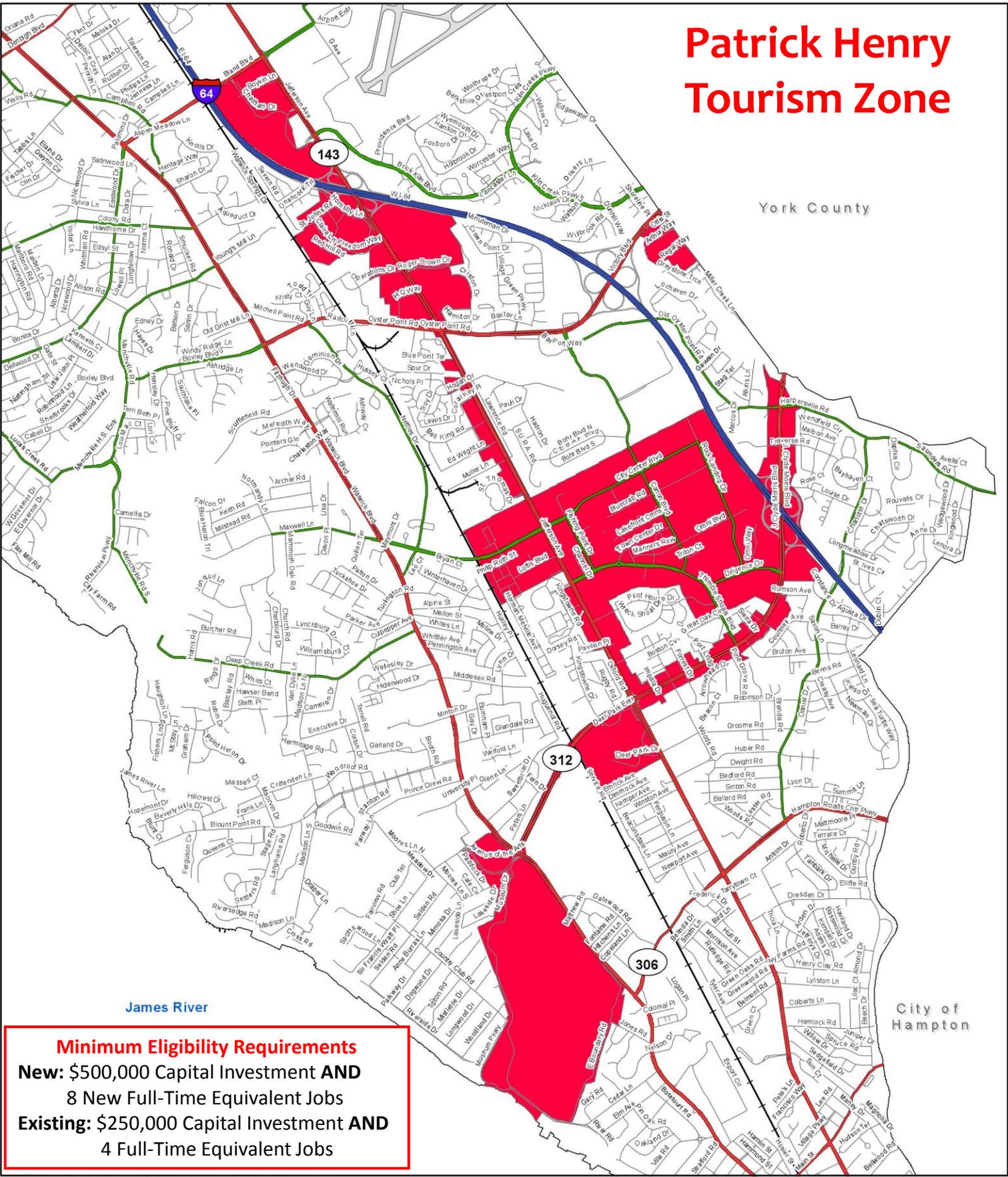
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CITY OF NEWPORT NEWS  
**Greater Hilton  
Tourism Zone**



# Patrick Henry Tourism Zone



**Minimum Eligibility Requirements**

- New:** \$500,000 Capital Investment **AND**  
8 New Full-Time Equivalent Jobs
- Existing:** \$250,000 Capital Investment **AND**  
4 Full-Time Equivalent Jobs

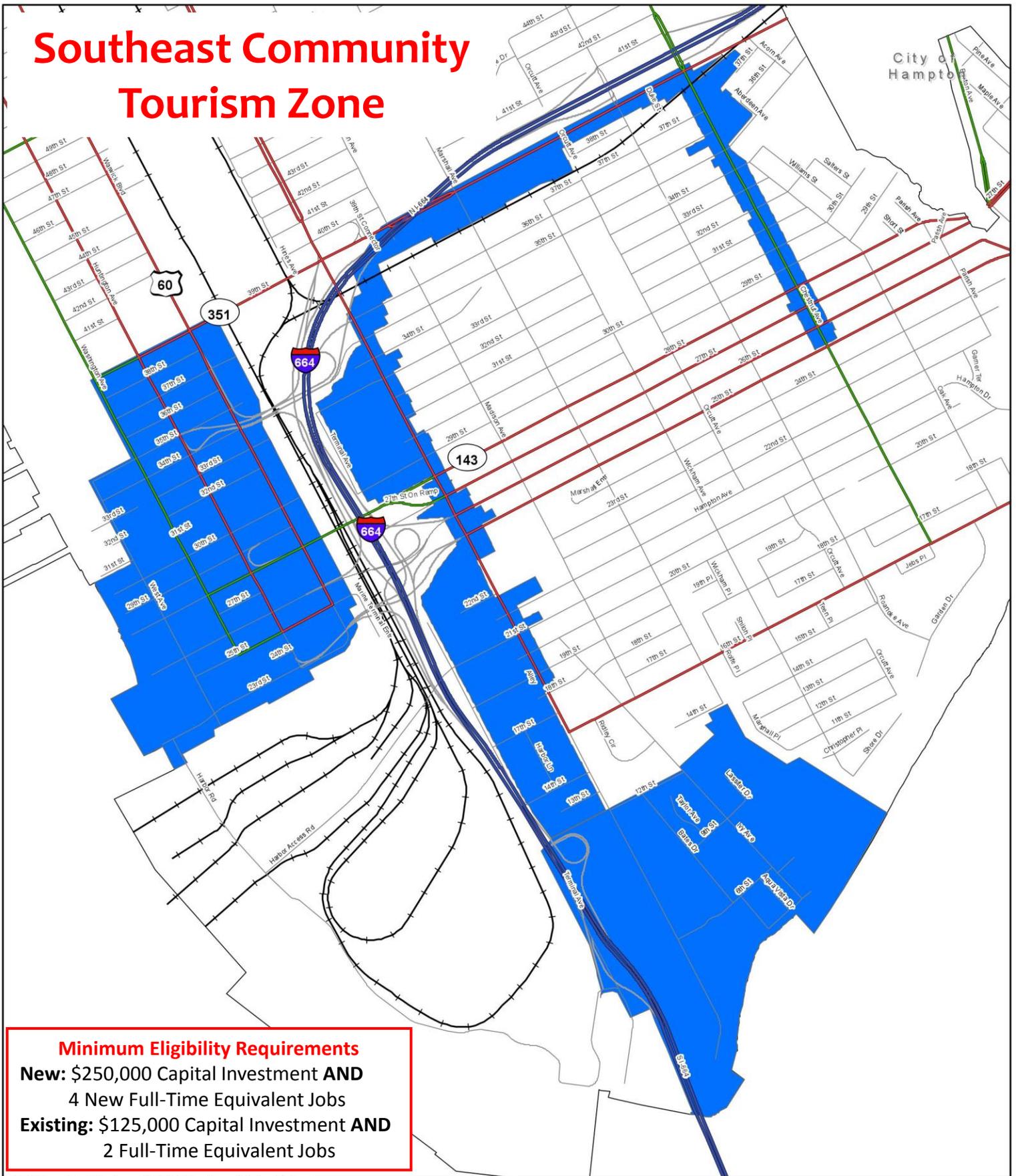
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CITY OF NEWPORT NEWS  
**Patrick Henry  
Tourism Zone**



# Southeast Community Tourism Zone



**Minimum Eligibility Requirements**  
**New:** \$250,000 Capital Investment **AND**  
 4 New Full-Time Equivalent Jobs  
**Existing:** \$125,000 Capital Investment **AND**  
 2 Full-Time Equivalent Jobs

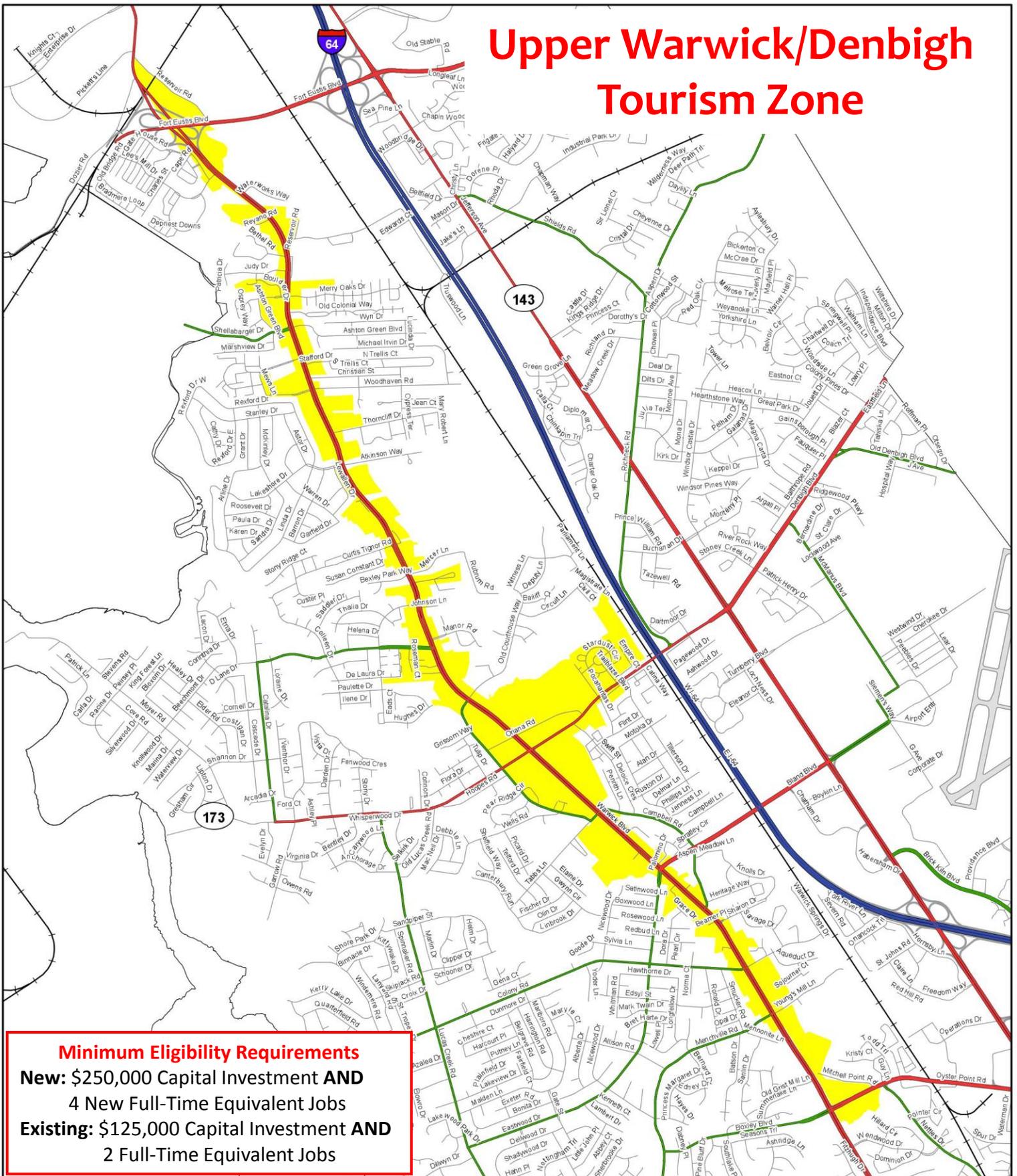
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CITY OF NEWPORT NEWS  
**Southeast Community  
 Tourism Zone**



# Upper Warwick/Denbigh Tourism Zone



**Minimum Eligibility Requirements**  
**New:** \$250,000 Capital Investment **AND**  
 4 New Full-Time Equivalent Jobs  
**Existing:** \$125,000 Capital Investment **AND**  
 2 Full-Time Equivalent Jobs

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CITY OF NEWPORT NEWS  
**Upper Warwick Boulevard/Denbigh  
 Tourism Zone**



## Technology Zone Incentives

**Technology Zone Business License Fee Refund** – Businesses located within the City’s Technology Zone may be eligible receive a Business License Fee Refund equal to 50% of the fee paid each year for a ten-year period.

To be eligible, a business must provide engineering or other professional or business services for energy development, including the development of energy infrastructure; modeling and simulation, photonics and nano-technology, and aerospace, including the development of products derived from these technologies; and other research and development.

The business must be new to Newport News and not from a Hampton Roads locality, and must create at least 25 new jobs, with salaries of at least \$75,000. The City Manager or his/her designee may reduce the job creation requirement to 10 jobs for SWaM businesses.

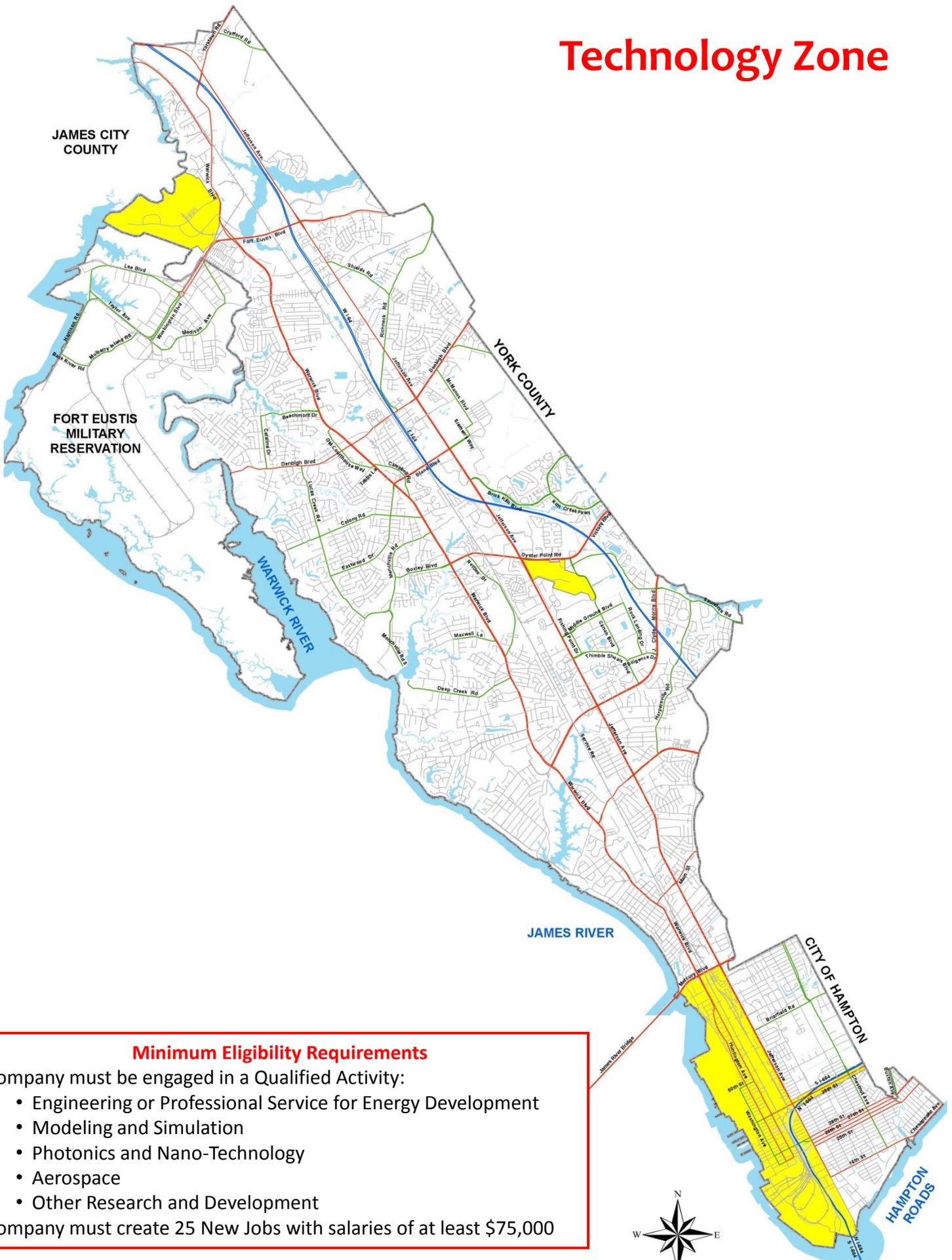
**Technology Zone Energy and Defense Infrastructure Grant** – Eligible projects must be for the manufacturing of a product not currently produced in Newport News. Projects must be within one of the following target industries: Production of capital equipment to support non-carbon based energy production or production of a defense weapon system (not currently being produced in Newport News).

The grant is equal to 0.5% of the Net New Capital Investment made by a company to support the project, which will be paid during each of the four years following the assessment of the initial net new taxable investment.

To be eligible, projects must create at least 100 jobs and invest at least \$25 million in net new taxable investment in real estate and/or machinery.

**The following map defines the boundaries of the City’s Technology Zone and notes the minimum requirements to qualify for incentives.**

# Technology Zone



## Minimum Eligibility Requirements

Company must be engaged in a Qualified Activity:

- Engineering or Professional Service for Energy Development
- Modeling and Simulation
- Photonics and Nano-Technology
- Aerospace
- Other Research and Development

Company must create 25 New Jobs with salaries of at least \$75,000

## Legend

 Technology Zone

7,000 3,500 0 7,000  
Feet

## City-wide Incentives

**Façade Improvement Grant** – A grant, up to \$30,000, available to property owners making eligible, external improvements to commercial properties over 10 years old. The program requires a 50% match City-wide or a 25% match for properties located within Enterprise Zones #1, #1-A and #3.

Eligible improvements include canopy/awning installation and repair, ADA compliant projects, exterior lighting, exterior painting, hardscape improvements, paving, window repair and replacement, and upgrades to parking surface areas.

**Commercial Rehabilitation Property Tax Exemption (CRPTE)** – This program reduces the post-rehabilitation assessment of qualifying commercial properties by 50% of the eligible rehabilitation costs. To qualify, the building must be at least 20 years old (15 within an Enterprise Zone) and eligible rehabilitation costs must exceed 20% of the assessed value of the building.

**Loan Programs** – The City, through the Economic Development and Redevelopment and Housing Authorities, offers a variety of low-interest loans for fixed asset acquisition.

**Newport News Urban Development Action Grant Loan Program (NNUDAG)** – Supports businesses making taxable investments within the City and providing job opportunities for low and moderate-income persons. The minimum loan amount is \$10,000 and the amount of funds is tied to the number of jobs created. There is a 1:1 private funds match for NNUDAG funds and no more than 20% of the NNUDAG loan may be used for inventory and working capital.

**Newport News Micro-Loan Program** – Designed to provide loan opportunities for the establishment, stabilization or expansion of small micro-enterprises with lack of access to capital. Loan amounts range from \$2,000 to \$25,000 with a maximum term of five (5) years. Interest rates are fixed for the term of the loan. The loan program has flexible payment terms and a 10% equity requirement.

**Newport News Capital Fund** – Designed to provide loan opportunities from \$5,000 to \$250,000 for local businesses without sufficient financing from private lenders. Loans are targeted to businesses that create jobs that help to mitigate effects of defense cutbacks in Newport News. Requires a 1:1 match with private funds and no more than 25% of a loan can be used for working capital.

**Peninsula Revolving Loan Fund** – A fixed-asset, direct loan program available to businesses that will create new employment opportunities. Loan amounts can range from \$5,000 to \$200,000. Requires a 1:1 private funds match and no more than 40% of the loan can be used for working capital.

**E-Commerce Business Assistance Grant Program** – Grants are available to assist companies growing their business through e-commerce. E-commerce services include search engine optimization, shopping systems and email marketing, system database development and website design and development.

Grants are made on a first-come, first-served basis and are limited to available funding. Interested businesses should contact EDA staff for full program information. There are awards up to \$2,500 for most Newport News small private businesses, not to exceed 50% of total project cost. The awards for women and minority-owned businesses are up to \$4,500, not to exceed 50% of total project cost.

Revised: June 1, 2016

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