

ORDINANCE NO. 7249-16

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 40.2, ENTERPRISE ZONES, TECHNOLOGY ZONES AND TOURISM ZONES, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, BY ADDING THERETO A NEW ARTICLE, NAMELY, ARTICLE IV., DEFENSE PRODUCTION ZONES.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 40.2, Enterprise Zones, Technology Zones and Tourism Zones, of the Code of the City of Newport News, Virginia, be, and the same hereby is, amended and reordained, by adding thereto a new article, namely: Defense Production Zones, as follows:

**CHAPTER 40.2**

**ENTERPRISE ZONES, TECHNOLOGY ZONES,  
TOURISM ZONES AND DEFENSE PRODUCTION ZONES**

**ARTICLE IV. DEFENSE PRODUCTION ZONES**

**Sec. 40.2-30. Purpose.**

The City Council of the City of Newport News finds that the further development of its defense production tax base requires incentives and regulatory flexibility, and determines that an appropriate method of offering incentives for the areas described below is to create a defense production zone as guided and authorized by Section 58.1-3853 of the Code of Virginia, 1950, as amended. The City Council finds that the establishment of a defense production zone will create a more business-friendly environment and will foster development of defense production related businesses to the benefit of public health, safety, welfare and convenience through the enhancement of public revenues and the creation of employment opportunities.

**Sec. 40.2-31. Definitions.**

Unless otherwise expressly stated or the context clearly indicates a different intention, the following terms shall, for the purpose of this article, have the following meanings:

*Defense production business* means a business engaged in the design, development, or production of materials, components, or equipment required to meet the needs of national defense, or a business that performs functions ancillary to or in support of the design, development, or production of such materials, components or equipment.

**Sec. 40.2-32. Administration.**

This article shall be administered and enforced by the City Manager or his designee. The City Manager or his designee shall develop criteria and guidelines for the level of investment required for any particular range of tax incentives and regulatory flexibility. The City Manager or his designee is authorized to enter into Performance Agreements with defense production businesses.

**Sec. 40.2-33. Boundaries of defense production zone.**

The boundaries of the City's defense production zone are hereby established as shown on the "Defense Production Zone Map." The Defense Production Zone Map is hereby declared to be a part of this Article and to have the same force and effect as if they were fully set forth and described herein. The Defense Production Zone Map shall be kept on file in the office of the Department of Development.

**Sec. 40.2-34. Incentives and regulatory flexibility.**

(a) The City Manager or his designee, through a Performance Agreement, may provide incentives to a defense production business located in a defense production zone for up to twenty (20) years. Such incentives may include, but are not limited to (i) reduction of permit fees, (ii) reduction of user fees, (iii) reduction of any type of gross receipt tax, and (iv) economic development incentive grants with payment of the grants conditioned upon the defense production business making certain real property or capital investments, creating and maintaining new jobs, or performing or meeting other economic development objectives.

(b) The City Manager or his designee, through a Performance Agreement, may also provide for regulatory flexibility in a defense production zone that may include, but is not limited to (i) special zoning for the district, (ii) permit process reform, (iii) exemption from city ordinances, and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to twenty (20) years.

**Secs. 40.2-35–40.2-39. Reserved.**

2. That the map entitled "City of Newport News, Virginia Defense Production and Support Services Zone" attached hereto and made a part hereof, is adopted as the "Defense Production Zone Map" set forth in Sec. 40.2-33 above.

3. That this ordinance shall be in effect on and after the date of its adoption, January 26, 2016.

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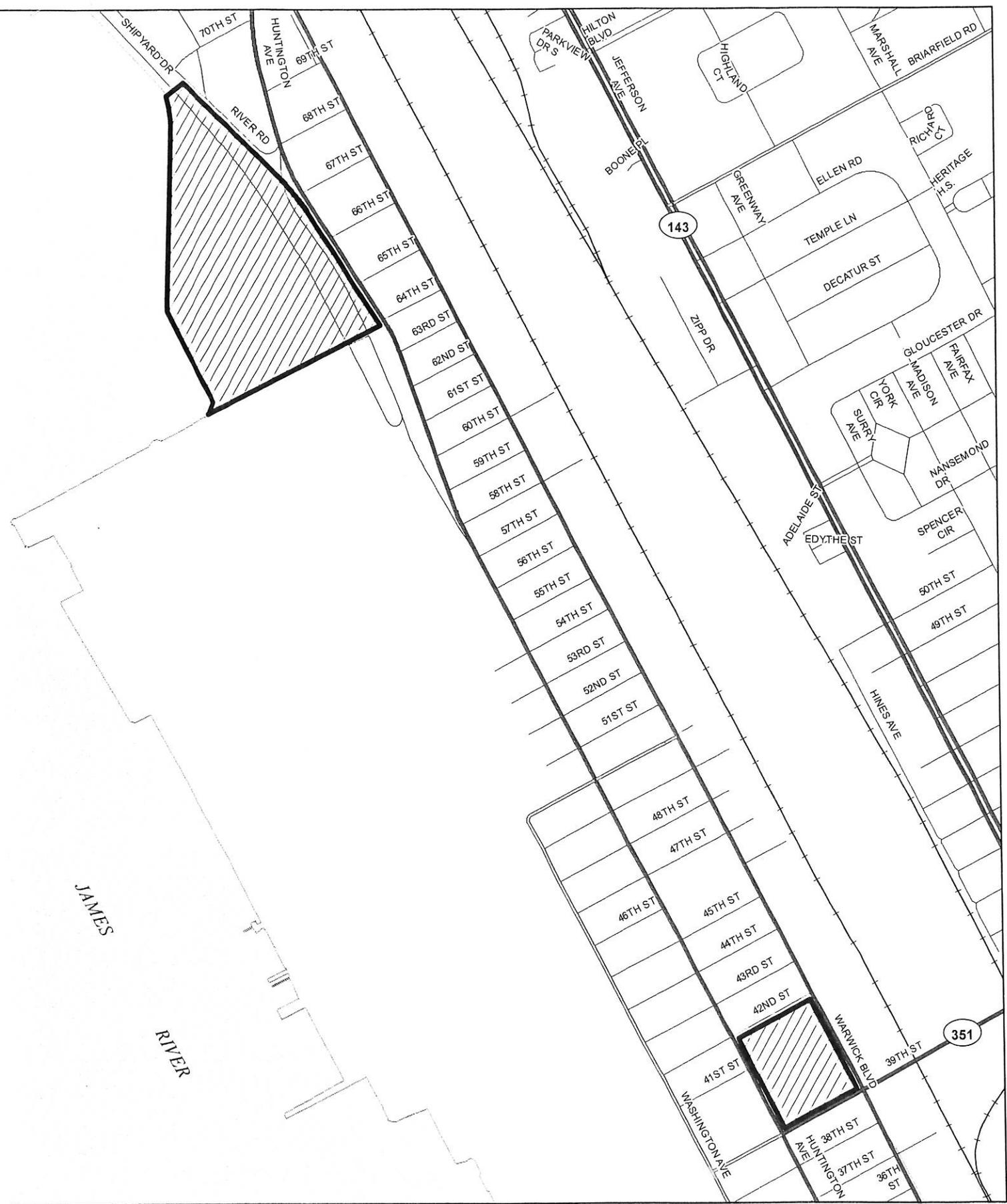
PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON JANUARY 26, 2016

Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor

A true copy, teste:

City Clerk



CITY OF NEWPORT NEWS, VIRGINIA

# DEFENSE PRODUCTION AND SUPPORT SERVICES ZONE

