



**FACT SHEET**  
**NEWPORT NEWS ENTERPRISE ZONES #3 AND #3-A**

**Enterprise Zone Program:** A package of grants, tax incentives, financing eligibility and other benefits offered by the Commonwealth of Virginia and the City of Newport News to new and expanding businesses within the designated Enterprise Zone.

Location: Canon Virginia campus  
Copeland Industrial Park  
Historic Downtown  
Jefferson Center for Research and Technology  
Oyster Point of Newport News, including City Center at Oyster Point  
Oyster Point West  
Port Warwick (commercial portion)  
Portions of the Southeast Community  
Portions of the Old North End  
Seafood Industrial Park  
See accompanying maps for boundaries.

Contact: Department of Development (757) 926-8428  
Matt Johnson, Business Retention Coordinator (757) 597-2840 Ext. 3  
Tricia F. Wilson, Business Development Specialist (757) 926-3793

Benefits: Both the Commonwealth of Virginia and the City of Newport News offer financial rewards to qualified new and expanding Enterprise Zone firms. Benefits offered by Virginia are grants, while benefits offered by the City include tax incentives, grants, loan availability and technical assistance.

## Benefits Available to Qualified Firms from the Commonwealth

Real Property Investment Grant	Amount of Benefit*
	20% of the cost of renovation or addition or of new construction on amounts above the minimum threshold amounts 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.
	<b>Eligibility Criteria for Real Property Investment Grant:</b>
	<ul style="list-style-type: none"> <li>• Available to owners of commercial or industrial property and leaseholders who own improvements in a Virginia Enterprise Zone.</li> <li>• Property must be at least 30% commercial or industrial.</li> <li>• Expenditures must exceed minimum amounts: \$100,000 for renovation or expansion; \$500,000 for new construction.</li> <li>• Not available for purchase of land or existing improvements.</li> <li>• Soft costs and fees are not eligible costs.</li> </ul>

\* All State benefits are subject to availability of funds and may be reduced on a pro-rata basis if eligible requests exceed fund availability.

## Benefits Available to Qualified Firms from the Commonwealth (cont.)

Job Creation Grant	Amount of Benefit*
	<p data-bbox="699 489 1409 688">\$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.</p> <p data-bbox="737 737 1386 772"><b>Eligibility Criteria for Job Creation Grant:</b></p> <ul data-bbox="699 814 1421 1459" style="list-style-type: none"> <li>• Jobs must be permanent full-time employment new to Virginia and located in a Virginia Enterprise Zone.</li> <li>• Jobs must pay at least 175% of federal minimum wage and provide health benefits.</li> <li>• Grants only apply to the increase above four positions measured from the base year employment. (Base year employment is zero for new firms.)</li> <li>• Maximum grant per firm per year is \$280,000.</li> <li>• Businesses receiving Enterprise Zone Job Grants are not eligible to receive Virginia Major Business Facilities Expansion Tax Credits.</li> <li>• Retail, restaurant and personal service firms are not eligible to receive Job Creation Grant.</li> </ul>

\* All State benefits are subject to availability of funds and may be reduced on a pro-rata basis if eligible requests exceed fund availability.

## Benefits Available to Qualified Firms from the City

Expansion/Relocation Cost Reduction Incentive	Amount of Benefit
	<p>The present value of three years of net new property taxes paid to the City of Newport News.</p> <p>Incentive package of benefits may, at the discretion of the Newport News Economic/Industrial Development Authority, be delivered as land price discounts or by other means.</p>
	<p><b>Eligibility Criteria for Expansion/Relocation Cost Reduction Incentive:</b></p> <ul style="list-style-type: none"> <li>• Location within Newport News Enterprise Zone #3 or #3-A.</li> <li>• Create at least twenty-five (25) new full-time equivalent jobs within an eighteen (18) month period that are net new jobs.</li> <li>• A minimum average wage of \$10.00 per hour for net new jobs created in Enterprise Zone #3 and \$38,000 annually for net new jobs created in Enterprise Zone # 3-A. Net new jobs include contract employees.</li> <li>• A minimum \$2.5 million investment in new real estate, machinery and tools or (if a non-manufacturer) in business personal property within an eighteen (18) month period.</li> </ul>

## Benefits Available to Qualified Firms from the City (cont.)

Expansion/Relocation Cost Reduction Incentive	Eligibility Criteria for Expansion/Relocation Cost Reduction Incentive: (cont.)
	<ul style="list-style-type: none"> <li>• Classified as a target industry. Target industries are:               <ul style="list-style-type: none"> <li>&lt; Advanced adhesives and sealants</li> <li>&lt; Advanced ceramics</li> <li>&lt; Aerospace and aeronautics</li> <li>&lt; Back office operations, including accounting, administrative support, bank credit card transactions, customer service, data processing, inventory control, order taking, and telemarketing</li> <li>&lt; Boat building and ship repair</li> <li>&lt; Computers and computer peripherals</li> <li>&lt; Corporate headquarters</li> <li>&lt; Electronics and electronic components (including non-electrical components of computers and office equipment)</li> <li>&lt; Engineering</li> <li>&lt; Fiber optics</li> <li>&lt; Glass products</li> <li>&lt; Instruments (including measuring and controlling devices, medical instruments and scientific instruments)</li> <li>&lt; Machinery</li> <li>&lt; Metal fabrication and machining</li> <li>&lt; Modeling and simulation</li> <li>&lt; Motor vehicle parts and accessories</li> <li>&lt; Nanotechnology</li> <li>&lt; Office equipment and furniture</li> <li>&lt; Photonics</li> <li>&lt; Plastics and Plastic products</li> <li>&lt; Research and development</li> <li>&lt; Unsubsidized residential development located in the Downtown CBD</li> <li>&lt; Software development</li> <li>&lt; Solar Energy Products</li> <li>&lt; Tool making</li> </ul> </li> </ul> <p style="text-align: right;"><i>Eligibility is determined by the Newport News</i></p>

**Benefits Available to Qualified Firms from the City  
(cont.)**

<b>Business License Fee Abatement</b>	<b>Amount of Benefit</b>																
	<p>Percent of business license fee abatement in Enterprise Zone #3</p> <table><tr><td>Year 1</td><td>100%</td></tr><tr><td>Year 2</td><td>80%</td></tr><tr><td>Years 3-10</td><td>60%</td></tr><tr><td>Year 11</td><td>0%</td></tr></table> <p>(up to \$10,000 annually) (no carryover)</p> <p>Percent of business license fee abatement in Enterprise Zone #3-A</p> <table><tr><td>Year 1</td><td>80%</td></tr><tr><td>Year 2</td><td>60%</td></tr><tr><td>Years 3-5</td><td>40%</td></tr><tr><td>Year 6</td><td>0%</td></tr></table> <p>(up to \$10,000 annually) (no carryover)</p>	Year 1	100%	Year 2	80%	Years 3-10	60%	Year 11	0%	Year 1	80%	Year 2	60%	Years 3-5	40%	Year 6	0%
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## Eligibility Criteria for Business License Fee Abatement

New Firms	Existing Firms
<p>For locations within Newport News Enterprise Zone #3 includes both:</p> <ul style="list-style-type: none"> <li>• At least two (2) new full-time jobs created that are net new jobs. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee.</li> <li>• Must make a \$50,000 taxable investment within the Enterprise Zone. Each additional employee above the minimum can substitute for \$10,000 in investment. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment.</li> </ul>	<p>For locations within Newport News Enterprise Zone #3 includes both:</p> <ul style="list-style-type: none"> <li>• A ten percent (10%) increase in annual employment, with a minimum increase of two (2) full-time net new jobs. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee.</li> <li>• Must make a \$50,000 taxable investment within the Enterprise Zone. Each additional new employee above the minimum can substitute for \$10,000 in investment. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment.</li> </ul>

## Eligibility Criteria for Business License Fee Abatement (cont.)

New Firms	Existing Firms
<p>For locations within Newport News Enterprise Zone #3-A includes both:</p> <ul style="list-style-type: none"> <li>• At least fifteen (15) new jobs paying at least \$38,000 annually. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, the minimum job creation requirement is two (2) new jobs.</li> <li>• Must make a \$200,000 taxable investment within Enterprise Zone #3-A. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, as a start-up or entrepreneurial expansion, the Director of Development may discretionarily waive the taxable investment requirement.</li> </ul>	<p>For locations within Newport News Enterprise Zone #3-A includes both:</p> <ul style="list-style-type: none"> <li>• A ten percent (10%) increase in annual employment, with a minimum increase of at least fifteen (15) new jobs paying at least \$38,000 annually. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, the minimum job creation increase is ten percent (10%) or two (2) new jobs.</li> <li>• Must make a \$200,000 taxable investment within Enterprise Zone #3-A. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, as a start-up or entrepreneurial expansion, the Director of Development may discretionarily waive the taxable</li> </ul>
<p>The firm must not have previously been located within the City of Newport News. If so, the firm is treated as an existing firm.</p>	
<p>The Business License Fee Abatement incentive is not available to recipients of the Expansion/Relocation Cost Reduction Incentive.</p>	

**Benefits Available to Qualified Firms from the City  
(cont.)**

Refund of Local Electric and Gas Utility Taxes	Amount of Benefit																
	<p>Percent of local utility tax refund in Enterprise Zone #3</p> <table border="0"> <tr> <td>Year 1</td> <td>100%</td> </tr> <tr> <td>Year 2</td> <td>80%</td> </tr> <tr> <td>Years 3-10</td> <td>60%</td> </tr> <tr> <td>Year 11</td> <td>0%</td> </tr> </table> <p>Percent of local utility tax refund in Enterprise Zone #3-A</p> <table border="0"> <tr> <td>Year 1</td> <td>80%</td> </tr> <tr> <td>Year 2</td> <td>60%</td> </tr> <tr> <td>Years 3-5</td> <td>40%</td> </tr> <tr> <td>Year 6</td> <td>0%</td> </tr> </table>	Year 1	100%	Year 2	80%	Years 3-10	60%	Year 11	0%	Year 1	80%	Year 2	60%	Years 3-5	40%	Year 6	0%
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**Eligibility Criteria for Local Utility Tax Refund**

New Firms	Existing Firms
<p>For locations within Newport News Enterprise Zone #3 includes both:</p> <ul style="list-style-type: none"> <li>• At least two (2) new full-time jobs created that are net new jobs. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee.</li> <li>• Must make a \$50,000 taxable investment within the Enterprise Zone. Each additional employee above the minimum can substitute for \$10,000 in investment. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment.</li> </ul>	<p>For locations within Newport News Enterprise Zone #3 includes both:</p> <ul style="list-style-type: none"> <li>• A ten percent (10%) increase in annual employment, with a minimum increase of two (2) full-time net new jobs. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee.</li> <li>• Must make a \$50,000 taxable investment within the Enterprise Zone each additional new employee above the minimum can substitute for \$10,000 in investment. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment.</li> </ul>

## Eligibility Criteria for Local Utility Tax Refund (cont.)

New Firms	Existing Firms
<p>For locations within Newport News Enterprise Zone #3-A includes both:</p> <ul style="list-style-type: none"> <li>• At least fifteen (15) new jobs paying at least \$38,000 annually. Each \$50,000 above the minimum taxable investment can substitute for one (1) employee. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, the minimum job creation requirement is two (2) new jobs.</li> <li>• Must make a \$200,000 taxable investment within Enterprise Zone #3-A. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, as a start-up or entrepreneurial expansion, the Director of Development may discretionarily waive the taxable investment requirement.</li> </ul>	<p>For locations within Newport News Enterprise Zone #3-A includes both:</p> <ul style="list-style-type: none"> <li>• A ten percent (10%) increase in annual employment, with a minimum increase of at least fifteen (15) new jobs paying at least \$38,000 annually. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, the minimum job creation increase is ten percent (10%) or two (2) new jobs.</li> <li>• Must make a \$200,000 taxable investment within Enterprise Zone #3-A. Twenty-five percent (25%) of a real estate purchase may be counted as taxable investment. However, if the firm is engaged in software development, photonics, nanotechnology, medical imaging, advanced materials, modeling and simulation or aeronautics/aerospace, as a start-up or entrepreneurial expansion, the Director of Development may discretionarily waive the taxable investment requirement.</li> </ul>
<p>The firm must not previously have been located in Newport News or a Hampton Roads locality. If so, the firm is treated as an existing firm.</p>	
<p>The Local Utility Tax Refund incentive is not available to recipients of the Expansion/Relocation Cost Reduction Incentive.</p>	

## **Application Process**

### **Application to the Commonwealth:**

For application forms and instructions for state Enterprise Zone incentives, please go to: <https://dmz1.dhcd.virginia.gov/EZApplication>. Applications for Real Property Improvement Grants and Enterprise Zone Job Creation Grants must be submitted to the Virginia Department of Housing and Community Development by April 1 of the year following the qualification year. If April 1 falls on a weekend, the due date is the next business day. Qualification is determined based on data for the most recent calendar year. Applications must be reviewed and attested by a Certified Public Accountant. Substantially completed applications must be received by the Enterprise Zone Administrator by March 20, in order to guaranty a timely return of the application by postal mail with the required signature. State and local applications may be mailed or hand-delivered to:

Department of Development-3<sup>rd</sup> Floor  
2400 Washington Avenue  
Newport News, Virginia 23607

### **Application to the City:**

Application forms and assistance are available from the City of Newport News, Department of Development. Application forms for Enterprise Zone #3 may also be downloaded at

<http://www.nngov.com/development/downloads/incentives/ez3eligibilityform.pdf>; and for Enterprise Zone #3-A, <http://www.nngov.com/development/downloads/incentives/ez3aapplication.pdf>

Applications are submitted to the Department. The required job creation must have occurred no earlier than twelve months prior to or following the taxable investment.

### **HUBZone Program:**

Portions of Enterprise Zone #3 are located in a federally designated HUBZone. Qualifying companies can receive preferences in selling products or services to the federal government. Assistance in applying for HUBZone certification is available from the Department of Development. For assistance, call:

Matt Johnson  
Business Retention Coordinator  
(757) 597-2840, ext. 3  
[mejohanson@nngov.com](mailto:mejohanson@nngov.com)

## **Commercial Rehabilitation Property Tax Abatement:**

If you are substantially renovating a building that is 20 years old or older (15 if within an Enterprise Zone), you may be eligible for a Commercial Rehabilitation Property Tax Abatement. Applications for the related Commercial Rehabilitation Property Tax Abatement must be submitted to and approved by the Director of Development. All required building permits must be acquired prior to the work being performed. Application forms are available from the City of Newport News, Department of Development, or from the Department of Codes Compliance.

## **Low Interest Loans:**

The City, through its Economic Development Authority and its Redevelopment and Housing Authorities, offers a variety of low-interest loans for fixed asset acquisition. Companies located in a Virginia Enterprise Zone may be eligible for enhanced benefits under these programs. For more information about the City's low-interest loan programs, call:

Ms. Tricia Wilson  
Business Development Specialist  
757-926-3793

or visit the City's website at

<http://www.nngov.com/development/resources/loanleadin.html>.