

Town of Windsor

Memorandum

July 13, 2021

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TO: The Honorable Mayor and Town Council
FROM: William G. Saunders, IV, Town Manager
SUBJECT: Isle of Wight County Enterprise Zone Expansion

Background

Isle of Wight County (IOW) proposes an expansion of their existing Enterprise Zone to include areas adjacent to and within the Town of Windsor.

Specifics

The Virginia Enterprise Zone (VEZ) program is intended to promote business development and expansion with incentives funded by cost-sharing between the State and localities.

IOW implemented a VEZ in 2010 that also includes areas within the City of Franklin and Southampton County. Currently, IOW has 2,438 acres of land within this zone; the proposed expansion would add 505.5 more acres.

Since its inception, the Franklin/IOW/Southampton VEZ has provided \$103,155.98 in incentives to business creation/expansion.

Local incentives provided vary from locality to locality; those offered in IOW include:

- Accelerated permit processing
- Local job creation grant
- Machinery and tools tax grant
- Permit fee waivers

Enclosures

Enterprise Zone Expansion Map

Recommended Action

Recommend support of proposed expansion

Isle of Wight County Virginia Enterprise Zone

In November 2011, the Virginia Department of Housing and Community Development approved a re-designation application to allow for the expansion of the Joint Franklin/Southampton Enterprise Zone to include 2,437.80 acres in Isle of Wight County. The County created three Enterprise Subzones in critical target areas to support its goals of identifying land appropriate for business development, encouraging the redevelopment of areas targeted for revitalization, and promoting job growth throughout the community as new and existing businesses take advantage of state grant and local incentive programs. To qualify for these incentives, businesses must meet minimum qualifying criteria. Retail, food and beverage services, and personal services are not eligible for the program.

State Enterprise Zone Incentives

Job Creation Grants

- Up to \$500/year per new permanent full-time position earning at least 175% the Federal minimum wage with health benefits.
- Up to \$800/year per new permanent full-time position earning at least 200% the Federal minimum wage with health benefits.
- Available for a five consecutive-year term for net new permanent full-time positions.

Real Property Investment Grants

- Up to \$100,000 grant per qualifying building or facility investments less than \$5 million.
- Up to \$200,000 grant per qualifying building or facility investments of \$5 million or more.
- 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.

Local Enterprise Zone Incentives

Machine & Tool Tax Rebate

- Receive a 25% rebate on machinery & tools taxes paid for a period of five years for new businesses or expansions that invest \$1 million or more in new machinery and tools.

Job Creation Grant

- Receive \$500 per new full-time equivalent positions (requiring minimum of 35 hours worked per week) up to a maximum of 20 positions a year. Businesses must pay 150% of the federal minimum wage or \$10.88 to receive grants.

Waiver of Plan Review Fees

- Waivers include site plan, subdivision and zoning permit fees for new businesses or expansions in one of the County's Enterprise Subzones.

Fast Track Permitting Process

- Receive high priority status during development review, including the resubmission of plans, early land disturbing permits, and footing and foundation permits prior to receiving final plan approval for new businesses or expansions that invest \$1 million or more in new machinery and tools or \$500,000 or more in business personal property.

**For More Information, Please Contact: Amy Ring, Business Development Manager
Isle of Wight County Department of Economic Development
Phone: (757) 356-1969 or aring@iwus.net**

Proposed Changes to Windsor Enterprise Subzone 1

505.5 Acres Added

