



2019 Local Enterprise Zone Annual Report

Department of Community Revitalization
July, 2020

Henrico County, Virginia



Henrico County, Virginia
2019

Local Enterprise Zone Annual Report

**Department of Community Revitalization
July 2020**

Acknowledgements

The 2019 Local Enterprise Zone Annual Report was prepared by the County of Henrico Department of Community Revitalization, Division of Community Development.

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Preface

The 2019 *Local Enterprise Zone Annual Report* is submitted electronically to the Virginia Department of Housing and Community Development (DHCD) through the Centralized Application Management System (CAMS). The CAMS system does not accommodate the creation of a printed report. This document was compiled using the same information submitted in CAMS to DHCD in order to provide a user-friendly portal for the public to review the Henrico County submission. Questions about this document may be directed to The Henrico County Department of Community Revitalization in the following manner:

- In person at 4905 Dickens Road, Suite 200, Henrico, VA 23228, between the hours of 8:00 a.m. and 4:30 p.m.;
- By email to revitalization@henrico.us; or,
- By telephone at (804) 501-7617

County of Henrico
Department of Community Revitalization
July, 2019

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Zone Administration

Zone Description

The Henrico Enterprise Zone was established in 2003 with the re-designation of the City of Richmond North Enterprise Zone and included areas along W. Broad Street, from the corporate limits west to Glenside Drive, and along Nine Mile Road from Dabbs House Road to Hanover Road.

Zone amendments were approved by Virginia Department of Housing and Community Development (DHCD) in 2004, 2006, 2008, 2010, 2011, 2012, and 2015. These amendments included the addition of commercial corridors and industrial areas, as well as several new local incentives. The following areas were added: portions of Nine Mile and Creighton Roads; areas along Staples Mill Road between the City line and Parham Road; property adjacent to the CSX rail line between I-64 and Parham Road; commercial corridors along Lakeside Avenue, Brook Road, Mechanicsville Turnpike, and Laburnum Avenue; Regency Square Mall, including surrounding commercial areas, the Woodman and Hungary Roads commercial intersection; areas of Williamsburg Road in Sandston; portions of South Laburnum Avenue, including areas along Audubon Drive to I-64; intersections at Hermitage and Staples Mill Roads, Darbytown Road and S. Laburnum Avenue, Williamsburg Road and Leonard Avenue, Chamberlayne Road and Wilmer Avenue, Glenside Drive and Broad Street, and part of Richmond International Airport. In 2015 zone additions included areas around: Starling Drive and Quioccasin Road, Eastridge and Parham Roads, Oakley's Lane west of Gillie Creek, November Avenue, and between S. Laburnum Avenue and S. Airport Drive and portions of Seven Hills Boulevard. The zone currently encompasses 3,811 acres in two non-contiguous areas. The zone consists of older commercial corridors, revitalization areas, and targeted economic development areas in the eastern, northern and western portions of the County. A Zone re-designation, pursuant to an extension adopted by the General Assembly in 2014, was approved by DHCD on January 15, 2015, continuing the duration of Zone 28 until December 31, 2022.

Zone Planning

Twenty-nine uncommitted acres currently remain in the Zone. A 2020 Amendment is currently in process that will remove certain properties and add others. Slight modifications to two existing incentives and clarification of others will be included in the amendment as well.

- Outreach materials distributed by the Department of Community Revitalization are reviewed and revised as necessary. Marketing materials relating to the Enterprise Zone are available from other departments, including the Economic Development Authority.

- In late 2019 an evaluation was completed that included portions of the Enterprise Zone along the Williamsburg Road corridor and concluded that the area within Sandston might be eligible for listing in the National and State Registers of Historic Places. In 2020 – 21, the required architectural survey work will be completed along with an application for Nomination to the National Register. If listed, this area would join with previously listed portions of the Nine Mile Road corridor in making rehabilitation tax credits available to businesses incentivizing building improvements.

- The following are initiatives that are on-going and will continue:

i: Encourage Enterprise Zone businesses to utilize available incentives and programs to expand and improve their business;

ii: Continue to assist business associations to increase program involvement and expand outreach opportunities;

iii: Continue personal business visits to promote program benefits, evaluate effectiveness, and solicit potential improvements;

iv: Continue to identify and inform large revitalization and investment projects of State Enterprise Zone grant opportunities;

v: Continue to provide notification on a monthly basis, to all new Zone property owners, and development and rezoning applicants, of available benefits, incentives, and qualification procedures;

vi: Consult with the County's Economic Development Authority and Planning Department to determine potential opportunities.

Local Zone Administrator Assistance Request

- 1) DHCD should consider purchasing the quarterly Micro Level Employer Information from the VEC on behalf of all Enterprise Zone localities. This investment, while costing DHCD \$500, would save individual EZ localities the unnecessary \$500 expense. The current VEC pricing structure also forces many localities to undertake a less accurate methodology. The use of the VEC Micro Level Employer Information data would provide a consistent methodology for all EZ localities to calculate new businesses and jobs. This is the fifth consecutive year in which Henrico County has raised this issue.
- 2) DHCD, through the CAMS Portal, should provide a way to download and print the Annual Report as a complete document.
- 3) DHCD should modify the template for the “Private Investment in Zone” table to include clarification on the types of businesses that fall into the current categories or alter them to be more precise. This is the third year this modification has been requested.
- 4) As suggested to DHCD staff in early 2020, DHCD should assemble a working group of Annual Report stakeholders (mostly EZ localities) to re-evaluate what is required in the Annual Report. Essentially nothing has changed in the format or requirements, and there are numerous improvements that could be made in the type and quality of data collected, the process for collecting data for consistency among programs, and the overall structure

Zone Activities

Zone Activity Report

- SKR, Inc.: Renovation of a one-story, 3,936 square foot McDonald's Restaurant with drive-through facilities in the Laburnum Square Shopping Center. Improvements included: construction of dual drive-through lanes; a 52 square foot building addition; and a dumpster enclosure, exterior building modifications, and site improvements for handicap accessibility. Project received a \$89,932 Real Property Improvement Grant and represents \$485,000 assessment increase.
- San-J International, Inc.: Expansion of an existing 57,000 Square foot production facility constructed in 1987 and enlarged in 1994. This enlargement consisted of a 44,000 square foot, 38-foot high addition, and a single story, 15,000 square foot raw material processing facility with a 71-foot high tower. The project resulted in a capital investment of over \$6,000,000 and benefitted from a State Real Property Improvement Grant of approximately \$167,864 and County fee-waivers.
- Khushal, LLC: Demolition of a single story 39,168 square foot, three building hotel complex built in 1988, to accommodate the construction of a four-story, 95-room hotel. In addition to permit-fee waivers, this redevelopment project received a \$167,864 Real Property Improvement Grant. This redevelopment project increased property assessments by over \$5,000,000, eradicated a major blight contributor and, significantly reduced calls-for-service to law enforcement.
- Regency Square Revitalization: This project is part of a multi-phase redevelopment and re-branding of a former regional shopping center originally developed in mid-1970. The waiver of development fees, joined with an urban mixed-use zoning concept, permitted a broader range of development options. The site of ancillary mall parking was converted into 11,430 square feet of retail space that was master-planned to compliment surrounding retail, office, and residential development. In addition to fee waivers, this project received a \$83,932 Real Property Investment Grant.

Zone Activity Photos

SKR, Inc



4708 Williamsburg Road

Regency Square



1370 N Parham

Khushal, LLC.



5300 Airport Square Lane.



6914 Staples Mill Road

Zone Activities Report for Non-Participants

All projects and activities within the Enterprise Zone boundaries that required local building permits received the Permit-Fee Waiver incentive. In 2019 the following permit and application fees were waived: \$823,468.57 (260 permits) in building permit fees; \$750 (1 application) in Provisional Use Permit fees; \$12,110.93 (10 cases) in Rezoning fees; and, \$4,590.20 (10 cases) in Plan of Development fees, for a total of \$840,919.70

Zone Inactivity

The Virginia Enterprise Zone grant program in Henrico County traditionally experiences strong utilization of grant incentives. State incentives are routinely discussed and explored with local business owners located within the Enterprise Zone as well as businesses interested in relocating or opening locations within the Henrico County Enterprise Zone. In February 2020, County staff sent mailings to 41 businesses that completed substantial construction within the zone during 2019, notifying them of the Real Property Investment Grant program and deadline.

For grant year (GY) 2019, 9 Henrico County businesses received Real Property Investment (RPIG) Grants totaling \$736,623 and three businesses received Job Creation Grants (JCG) totaling \$28,085

Job Creation & Investment Data

Local Incentive Utilization

A total of 615 Qualified Businesses utilized local Enterprise Zone incentives during GY 2019. The total awarded value of all incentives for GY 2019 was \$1,050,017. For additional detail and information, please reference Attachment 1A: Local Incentive Utilization.

Job Creation Data

Based on analysis of employment data received from the Virginia Employment Commission, the number of businesses in the Enterprise Zone increased by 4% from 1,489 businesses in 2018 to 1,550 businesses in 2019. Total employment in the zone decreased by 2% from 28,281 in 2018 to 27,976 jobs in 2019. 133 businesses closed between 2018 and 2019 resulting in a loss of 400 jobs. 194 new businesses opened in 2019 resulting in a gain of 765 jobs. Existing businesses activity (downsizing and expansions) resulted in a net loss of 808 jobs from 2018 to 2019 since less jobs were gained through expansion than lost through downsizing/layoffs. It should be noted that an undetermined portion of the above change can be attributed to deficiencies in data quality and may not reflect actual changes in businesses or employment.

Private Investment

Private investment activity, both new construction and rehab/expansion activity resulted in 621 building permits and over \$100 million dollars in total investment. For additional detail and information, please reference Attachment 1C: Private Investment in Zone. Zone Activity Methodology

Zone Activity Methodology

Changes in the numbers of businesses and employees within the Henrico County Enterprise Zone (EZ) were derived from micro-level employment information purchased from the Virginia Employment Commission (VEC) for the 4th quarters of 2018 and 2019. These files provided listings of employer locations determined by the VEC to be within Henrico County. Included were business name, street address, and monthly and average employment and an Employer Identification Number (EIN).

For 2019, the file provided by the VEC listed 1,512 employers in the enterprise zone. Determination of location in the Enterprise Zone was made by geocoding physical addresses provided by the employer, and coding some of the unmatched records manually.

In order to determine business activity, businesses listed within the Enterprise Zone from the 4th quarter of 2018 were compared to those listed in the 4th quarter of 2019. New businesses were determined to be those listed in the 4th quarter VEC 2019 report, but not listed in the 2018 report. Businesses closures were determined to be those listed in the 2018 report, but not the 2019 report. Businesses expansions were determined to be those businesses where the employment increased between 2018 and 2019. Businesses with downsizing/layoffs were businesses where employment decreased between 2018 and 2019. Changes in employment were calculated by comparing the 2018 4th quarter November employment to 2019 4th quarter November employment.

Attachments

Attachment 1: Job Creation and Investment Data Littleton

Attachment 1A: Local Incentive Utilization

Local Incentive Utilization: Calendar Year 2019										
Description/Administration					2019 Utilization					
#	Incentive Name	Qualification Criteria	Provider	Application Approver/Processor	Number of Qualified Businesses in 2019	Financial Value of Incentive in 2019	Total # of Jobs Created	Total Investment Leveraged & Type		If the incentive was not utilized during this Calendar Year, please provide an explanation and discuss any plans to improve usage.
			<i>City's Economic Development Office, County IDA, etc.</i>	<i>Local Zone Administrator, Commissioner of Revenue, Zoning Administrator, etc.</i>			<i># of Jobs (If Applicable)</i>	<i>Amount of Investment (\$) (If applicable)</i>	<i>Type of Investment Required (If Applicable: Real Property; Machinery & Tools; Business Personal Property; etc.)</i>	
1	Accelerated Development Processing	Propose a major development in the Enterprise Zone	Dept. of Planning	Director of Planning	1	n/a	n/a	\$20,000,000	n/a	n/a
2	Rehabilitation Real Estate Tax Exemptions	Must request assessment before rehabilitation work begins; building must be at least 26 years old	Dept. of Finance, Div. of Real Estate	Director of Finance	17	\$117,031.66	n/a	\$14,100,200	Real property improvement	n/a

3	Building Façade Grant	Limited to façade and other exterior improvements to a building; Job agreement requires one job created for each \$10,000 of grant funds	Dept. of Community Revitalization	Local Zone Administrator	1	\$30,000	0	\$128,114.75	Façade and other exterior improvements to a building	n/a
4	Employment and Training Assistance	Any businesses located in the Enterprise Zone	Capital Region Workforce Partnership	Local Zone Administrator	0	n/a	n/a	n/a	n/a	Staff will continue to coordinate with Capital Region Workforce Partnership to identify assistance opportunities.
5	Plan Review/Permit Fee Waivers	Own property or business in the Enterprise Zone	Building Official and Dept. of Planning	Building Inspections and Permit Center	266	\$823,469	n/a	\$111,433,913.00	Real property improvement	n/a
6	Architectural Design Assistance Program	Applicant must be able to describe their plans for implementing improvements to the building once designed requests assistance in façade design, with intention of rehabilitating property	Dept. of Community Revitalization	Local Zone Administrator	7	\$19,000.00	n/a	\$105,719	Façade or exterior design improvement	n/a

7	Fire Safety Seminars for Small Business	Any business in the Enterprise Zone	Division of Fire	Local Zone Administrator	0	n/a	n/a	n/a	n/a	Staff will continue to coordinate with the Division of Fire to identify additional grant opportunities. Fire Dept. continues to provide individual review and assistance.
8	Crime Prevention Through Environmental Design	Any business in the Enterprise Zone	Dept. of Police	Local Zone Administrator	10	n/a	n/a	n/a	n/a	n/a
9	Commercial Revitalization Staff Assistance	Own property or business in the Enterprise Zone	Dept. of Community Revitalization	Local Zone Administrator	304	\$4,640.00	n/a	n/a	n/a	n/a
10	Training Seminars for Businesses located in the Enterprise Zone Training and Assistance	Any business in the Enterprise Zone	Dept. of Community Revitalization	Local Zone Administrator	0	n/a	n/a	n/a	n/a	Staff resources generally limit this activity to individual training and business assistance

11	Off-Site Improvement Grant	Must invest a minimum \$250,000 in a new building or \$50,000 in exterior improvements to an existing building; must create one job for previously low income persons for each \$10,000 received	Dept. of Community Revitalization	Local Zone Administrator	0	n/a	n/a	n/a	Real property improvement	Grant criteria restricted businesses to qualify in 2018. Staff will continue to explore expanding grant eligibility or modifications.
12	Paving and Parking Lot Sealing Grant	Properties with existing buildings or where an addition(s) to an existing building is proposed	Dept. of Community Revitalization	Local Zone Administrator	6	\$21,877.03	n/a	\$112,674.49	Existing or expanded parking area repaving or resealing	n/a
13	Landscaping Grant	Properties with existing buildings or where an addition(s) to an existing building is proposed	Dept. of Community Revitalization	Local Zone Administrator	1	\$2,000.00	n/a	\$9,719	Landscaping for the enhancement of a parking area or the front of a building or property	This is usually a heavily used grant. Some projects are currently in progress but none were completed in 2018.
14	Building Façade Grant-Existing Small Business	Limited to existing businesses with a maximum of six full-time equivalent employees	Dept. of Community Revitalization	Local Zone Administrator	1	\$30,000.00	0	\$128,114.75	Façade improvements to a building	There are currently three projects in progress.

15	Building Demolition Grant	Demolition must clear the site for an additional investment of \$250,000 for a new building	Dept. of Community Revitalization	Local Zone Administrator	0	\$0	n/a	\$0	Building demolition for a new development	n/a
16	Existing Freestanding Signage Grant	Existing freestanding sign on property in need of demolition and replacement, or refurbishment	Dept. of Community Revitalization	Local Zone Administrator	1	\$2,000	n/a	\$6,919.52	Demolition, replacement, or refurbishment of an existing deteriorated freestanding sign	n/a
Total					615	\$1,050,017	0	\$146,025,374		

Attachment 1B: Job Creation Data

This information is considered confidential by the Virginia Employment Commission and is not provided in the public version of this report.

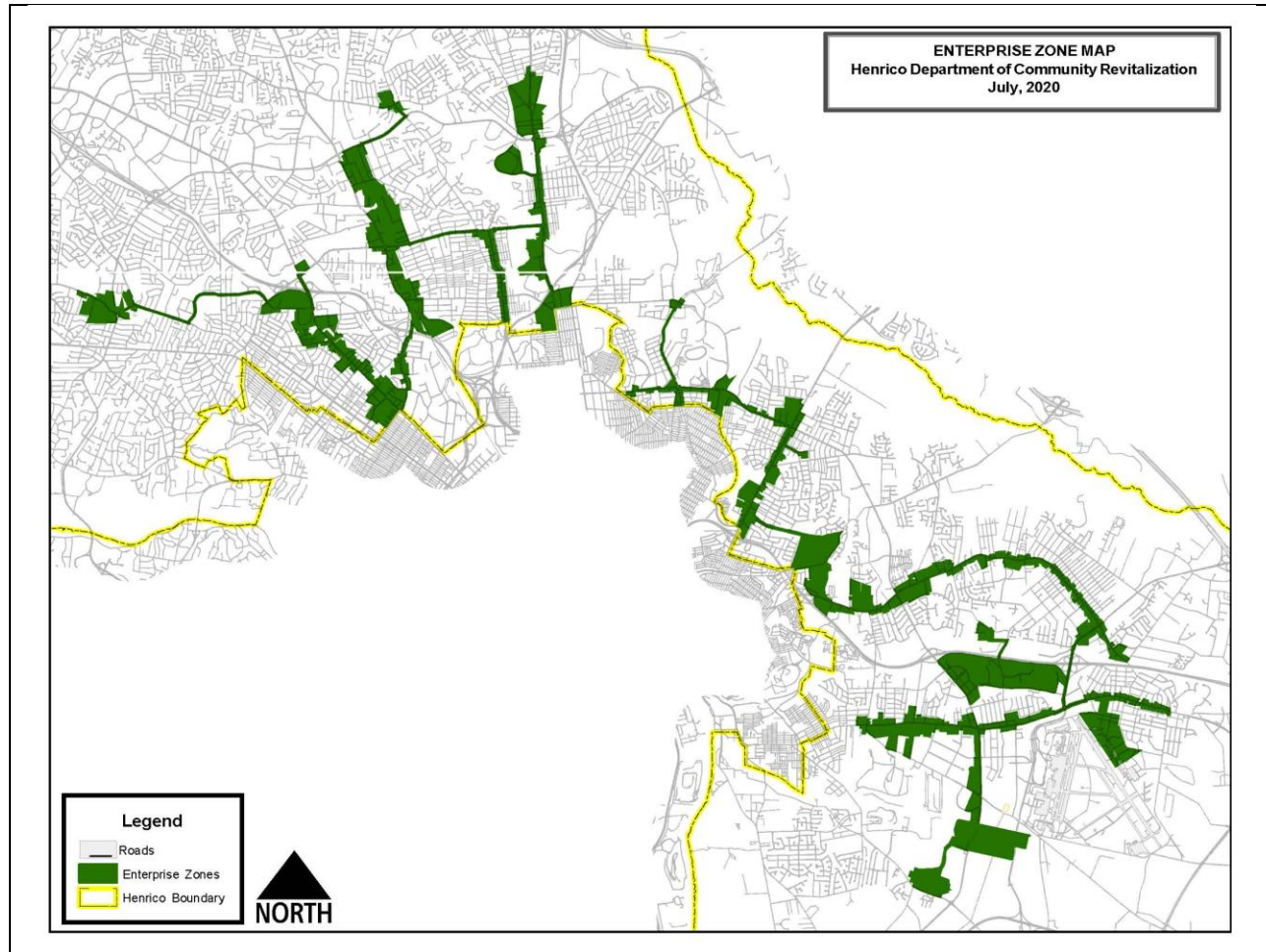
Attachment 1C: Private Investment

Private Investment in Zone: Calendar Year 2019		
New Construction		
Type of Permit	Number of Permits	Total Investment
Manufacturing	17	\$17,926,866.00
Office	19	\$38,863,641.50
Retail	52	\$13,553,897.00
Mixed-use	64	\$17,394,385.00
Subtotal	152	\$87,738,790.00
Rehab and Expansion		
Type of Permit	Number of Permits	Total Investment
Manufacturing	12	\$1,554,444.50
Office	90	\$5,873,742.00
Retail	303	\$13,657,575.00
Mixed-use	64	\$2,910,867.00
Subtotal	470	\$21,377,629.00
Total	524	\$109,116,419.00

Attachment 1D: Public Investment

Public Investment in Zone: Calendar Year 2018		
Infrastructure		
Type of Investment	Total Investment	Description
Streets/Sidewalks	\$8,481.61	Multiple guardrail improvements throughout the county.
Water	\$0.00	
Sewer	\$60,910.42	Multiple pipe installations and restorations around the county.
Broadband	\$0.00	
Other	\$8,500,000.00	Investment into an Amtrak station and parking areas along Staples Mill Road
Subtotal	\$8,569,392.03	
Public Buildings		
Type of Investment	Total Investment	Description
Improvements	\$0.00	
New Construction	\$0.00	
Subtotal	\$0.00	
Parks and Schools		
Type of Investment	Total Investment	Description
Improvements	\$0.00	
New Construction	\$0.00	
Subtotal	\$0.00	
Total	\$0.00	

Attachment 2: Zone Map



Attachment 3: Zone Ordinance

Sec. 6-3. - Permit fees.

- (a) *Payment required prior to issuance of permit.* No permit or permit amendment for new construction, alteration, removal, demolition or other building operations shall be issued until the required fees have been paid to the office of building construction and inspections.
- (b) *Payment of other fees.* The payment of fees for a building permit or permit amendment shall not relieve any person from the payment of other fees that may be prescribed by law or ordinance, including fees for water connections, sewer connections, and erection of signs, display structures, marquees or other appurtenant structures.
- (c) *Accounting.* The building official shall keep an accurate account of all fees collected for building permits and shall deposit all fees collected into the county treasury.
- (d) *Refunds after permit is issued.* If an issued permit expires or is abandoned or revoked, or if a building project is discontinued, the estimated cost of the work completed shall be computed by the building official and the amount attributable to work not completed shall be returned to the permit holder, less plan review and administrative fees, if a written request for refund is received by the building official within six months of expiration, abandonment, revocation or discontinuance. For purposes of this chapter, plan review and administrative fees shall be 25 percent of the permit fee.
- (e) *Additional fee when work commenced prior to approval of permit.* Upon the building official's discovery and investigation of unauthorized work commenced before a permit application has been approved, a fee of ten percent of the permit fee, or \$20.00, whichever is greater, shall be added to the permit fee to cover investigation costs.
- (f) *Inspection surcharge fee.* There shall be a fee of \$75.00 for each inspection of a new attached or detached one- or two-family dwelling that exceeds the average number of inspections performed for such structures. Any surcharge fee shall be paid prior to issuance of the certificate of occupancy
- (g) *Building permit fee schedule.*
- (1) *One- and two-family dwellings.* The fee for building attached or detached one- or two-family dwellings shall be \$680.00.
 - (2) *Appurtenances.* The fee for building attached or detached garages, utility buildings appurtenant to attached or detached one- or two-family dwellings, and any demolition, moving, addition or alteration to existing attached or detached one- or two-family dwellings shall be \$100.00 plus \$6.00 per \$1,000.00 or fraction thereof of value over \$5,000.00, except that no such fee for any permit shall exceed that charged for a new one-family dwelling. The fee shall be based upon the cost of labor and material to the owner for the installation, alteration, replacement or repair.
 - (3) *Other permits.* The permit fee for all other building permits shall be \$100.00 plus \$7.00 per \$1,000.00 or fraction thereof of value over \$5,000.00. This rate shall also apply to permits for signs and the moving or demolition of buildings other than for one- or two-family dwellings. The fee shall be based upon the cost of labor and material to the owner for the installation, alteration, replacement or repair.
 - (4) *Basis of fee for moving of buildings.* The fee for a permit for the removal of a building or structure from one lot to another or to a new location on the same lot shall be based on the

estimated cost of moving plus the cost of new foundations and all work necessary to place the building or structure in its completed condition in the new location.

(5) *Basis of fee for demolition.* The fee for a permit for the demolition of a building or structure shall be based on the estimated cost of demolition.

(6) *Basis of fee for signs.* The fee for signs, billboards and other display structures for which permits are required under the provisions of the building code shall be based on their estimated cost.

(h) *Annual certificate of compliance for elevators, escalators, dumbwaiters and manlifts.*

(1) Fees for annual certificates of compliance shall be paid to the county on or before December 31 of each year for the following year. For passenger elevators, freight elevators and manlifts, the fee is \$40.00 for elevators of ten stories or less plus \$4.00 for each additional ten stories or fraction thereof. For escalators, the fee is \$40.00 per floor. For dumbwaiters, the fee is \$25.00 for ten stories or less plus \$4.00 for each additional ten stories or fraction thereof.

(2) If the initial certificate of compliance is issued between January 1 and June 30 of a year, the fee for that year is one-half the amount shown. If the initial certificate is issued after June 30 of a year, there is no charge for the initial certificate of compliance for that year.

(i) *Plumbing, mechanical, electrical, fire protection equipment and systems permit fee schedule.*

(1) Except for attached or detached one- or two-family dwellings, the permit fee for plumbing, mechanical, electrical and fire protection equipment and systems shall be \$100.00 plus \$7.00 per

\$1,000.00 or fraction thereof of value over \$5,000.00, based upon the cost of labor and material to the owner for the installation, alteration, replacement or repair.

(2) The permit fee for the installation of plumbing, mechanical, electrical, and fire protection equipment and systems for new attached or detached one- or two-family dwellings shall be \$100.00.

(3) The permit fee for the installation, alteration, replacement or repair of any plumbing, mechanical, electrical, and fire protection equipment and systems for existing attached or detached one- or two- family dwellings shall be \$100.00 plus \$6.00 per \$1,000.00 or fraction thereof of value over \$5,000.00. The fee shall be based upon the cost of labor and material to the owner for the installation, alteration, replacement or repair.

(j) *Amusement Devices.* The permit fee for amusement devices shall be as prescribed by the Virginia Amusement Device Regulations.

(k) *Plan amendment and re-review fee.* There shall be a fee of \$25.00 for each plan review after the office of building construction and inspections has reviewed the plan twice because of plan deficiencies or plan amendments.

(l) *Temporary certificate of occupancy fee.* There shall be a fee of \$25.00 for each request for a temporary certificate of occupancy or extension of a temporary certificate of occupancy.

(m) *Waiver of fees in Virginia Enterprise Zones.* The fees in subsections (g)(3) through (g)(6), (i)1, (k), and (l) of this section shall be waived for property located in areas in the county designated as Virginia Enterprise Zones for the life of the enterprise zone.

(Code 1980, § 5-2; Code 1995, § 6-3; Ord. No. 1001, § 1, 7-11-2000; Ord. No. 1045, § 1, 6-24-2003)

Rehabilitation Real Estate Tax Exemptions:

Sec. 20-81. - Partial exemption for rehabilitated, renovated or replacement commercial and industrial structures.

(a) *Exemption authorized.* Partial exemption from real estate taxes is hereby provided in accordance with the provisions of this section for qualifying property devoted to commercial and industrial uses whose structures are rehabilitated in accordance with the criteria set out in Code of Virginia, § 58.1-3221 and this section.

(b) *Qualifications.* For the purposes of this section, commercial and industrial real estate shall be deemed to be substantially rehabilitated when a structure on such real estate which is no less than 26 years old has been so improved as to increase the assessed value of the structure by no less than 40 percent, but without increasing the total footage of such structure by more than 100 percent. As used in this section, the terms "rehabilitation" and "rehabilitated" shall also include situations in which the structures have been demolished and replaced with new structures. Subject to the limitations of this section, the rehabilitated, renovated, or replacement structure may be used for any purpose, including mixed use, that is allowed by the building code and the applicable zoning regulations for the property.

(c) *Application; determination of base value; application fee.*

(1) As a requisite for qualifying for partial tax exemption, the owner of the structure shall, prior to or simultaneously with making application for a building permit to rehabilitate such structure, file with the county's director of finance, upon forms furnished by him, an application to qualify such structure as a rehabilitated commercial or industrial structure. Upon receipt of an application for tax exemption, the director of finance shall determine a base fair market value assessment (referred to in this section as base value) of the structure as it was immediately prior to commencement of rehabilitation. If rehabilitation has already commenced at the time the base value is determined, then the base value may be determined using the best information available to the director of finance. The tax assessment of the improvements located upon the qualifying real estate shall be considered in determining the base value. The base value shall serve as a basis for determining whether the rehabilitation increases the assessed value of such structure by at least 40 percent.

(2) The application to qualify for tax exemption shall be effective for three years from the date on which the director of finance determines the base value. If, by such expiration date, rehabilitation has not progressed to such a point that the assessed value of the structure is at least 40 percent greater than the base value of such structure, then to retain such eligibility a new application to qualify for tax exemption must be filed prior to the expiration date and a new base value established. In no event, however, shall there be more than two additional applications following the initial application on any structure. The new base value shall be based upon the value of the improvements as of the date of the second or third application. Under no circumstances shall any new base value be less than the original base value.

(3) The initial application to qualify for the rehabilitated structure tax exemption and any subsequent application must be accompanied by a payment of a fee of \$50.00, which fee shall be applied to offset the cost of processing such application, making the required assessments, and making an annual inspection to determine the progress of the work.

(d) *Inspection of progress of work; effective date of exemption.*

(1) During the period between the receipt of the application and the time when the director of finance may ascertain that the assessed value has increased by at least 40 percent, the owner of the property shall be subject to taxation upon the full fair market value of the property. An owner may, at any time prior to November 1 of any calendar year in which rehabilitation of a structure is underway, submit a

written request to the director of finance to inspect the structure to determine if it then qualifies for the rehabilitated property exemption.

(2) When it is determined that the rehabilitation is completed and that it has resulted in at least a 40 percent increase in assessed value (base value is exceeded by 40 percent or more), the tax exemption shall become effective beginning on January 1 of the next calendar year.

(e) Credit memorandum. The owner of property qualifying for partial exemption of real estate taxes because of rehabilitation of a structure shall be issued a credit memorandum in the amount of the difference in taxes computed upon the base value and the assessed value of the property resulting from the rehabilitation for each year of a seven-year period of exemption from real estate taxes. Such seven-year period shall begin as specified in subsection (d) of this section. Additional increases resulting from increases in value occurring in subsequent years of the seven-year period shall not be eligible for partial tax relief. Such credit memorandum shall be surrendered when payment is made of the real estate taxes payable for the year for which such credit memorandum has been issued. Each credit memorandum timely surrendered shall be credited in its full amount against the taxes due for the real estate for which partial exemption has been obtained. Each credit memorandum so surrendered shall be charged against an appropriation made by the board of supervisors for the purpose of honoring such credit memorandums.

(f) Credit to run with land. Exemption from taxation of real estate qualifying for the rehabilitation exemption shall run with the land, and the owner of such property during each of the seven years of exemption shall be entitled to receive a credit memorandum for such partial exemption from taxation.

(g) Methods of evaluation. In determining the base value of a structure and whether the rehabilitation results in a 40 percent increase over such base value, the director of finance shall employ usual and customary methods of assessing real estate.

(h) Exemption not applicable to demolition of historic structures. Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in this section shall not apply when any structure demolished is a registered state landmark or is determined by the state's department of historic resources to contribute to the significance of a registered historic landmark.

(i) Condition of the property. Upon making application to qualify for partial tax exemption, an applicant shall certify that the property that is the subject of the application, including the real estate upon which the structure is located, shall be maintained in compliance with all Code requirements. Failure to properly maintain the property in compliance with all Code provisions shall be grounds for denial of the requested partial tax exemption.

(j) Exterior-corridor hotels and motels. Hotels and motels providing access to the majority of the structure's rental rooms via exterior corridors may qualify under this section for an exemption for 15 years instead of seven years. To qualify for the extended exemption, the exterior-corridor hotel or motel must be demolished and replaced with a structure used for any purpose, other than an exterior-corridor hotel or motel, that is allowed by the building code and the applicable zoning regulations for the property, including mixed use. Except as altered by this subsection, all other subsections of this section apply to exemptions for the demolition and replacement of exterior-corridor hotels and motels.

(Code 1995, § 20-75; Ord. No. 1019, § 3, 10-23-2001)

State law reference—Partial exemption for certain rehabilitated, renovated or replacement commercial or industrial structures authorized, Code of Virginia, § 58.1-3221.

Sec. 20-82. - Partial exemption for rehabilitated, renovated or replacement hotel and motel structures.

(a) Exemption authorized. Partial exemption from real estate taxes is hereby provided in accordance with the provisions of this section for qualifying property devoted to hotel and motel uses whose

structures are rehabilitated for residential use in accordance with the criteria set out in Code of Virginia, § 58.1-3220.1 and this section.

(b) Qualifications. For the purposes of this section, hotel and motel real estate shall be deemed to be substantially rehabilitated when a structure on such real estate which is no less than 35 years old has been so improved as to increase the assessed value of the structure by no less than 50 percent, but without increasing the total footage of such structure by more than 100 percent. As used in this section, the terms "rehabilitation" and "rehabilitated" shall also include situations in which the structures on the property have been demolished and replaced with new structures for residential use.

(c) Application; determination of base value; application fee.

(1) As a requisite for qualifying for partial tax exemption, the owner of the structure shall, prior to or simultaneously with making application for a building permit to rehabilitate such structure, file with the county's director of finance, upon forms furnished by him, an application to qualify such structure as rehabilitated. Upon receipt of an application for tax exemption, the director of finance shall determine a base fair market value assessment (referred to in this section as base value) of the structure as it was immediately prior to commencement of rehabilitation. If rehabilitation has already commenced at the time the base value is determined, then the base value may be determined using the best information available to the director of finance. The tax assessment of the improvements located upon the qualifying real estate shall be considered in determining the base value. The base value shall serve as a basis for determining whether the rehabilitation increases the assessed value of such structure by at least 50 percent.

(2) The application to qualify for tax exemption shall be effective for three years from the date on which the director of finance determines the base value. If, by such expiration date, rehabilitation has not progressed to such a point that the assessed value of the structure is at least 50 percent greater than the base value of such structure, then to retain such eligibility a new application to qualify for tax exemption must be filed prior to the expiration date and a new base value established. In no event, however, shall there be more than two additional applications following the initial application on any structure. The new base value shall be based upon the value of the improvements as of the date of the second or third application. Under no circumstances shall any new base value be less than the original base value.

(3) The initial application to qualify for the rehabilitated structure tax exemption and any subsequent application must be accompanied by a payment of a fee of \$50.00, which fee shall be applied to offset the cost of processing such application, making the required assessments, and making an annual inspection to determine the progress of the work.

(d) Inspection of progress of work; effective date of exemption.

(1) During the period between the receipt of the application and the time when the director of finance may ascertain that the assessed value has increased by at least 50 percent, the owner of the property shall be subject to taxation upon the full fair market value of the property. An owner may, at any time prior to November 1 of any calendar year in which rehabilitation of a structure is underway, submit a written request to the director of finance to inspect the structure to determine if it then qualifies for the rehabilitated property exemption.

(2) When it is determined that the rehabilitation is completed and that it has resulted in at least a 50 percent increase in assessed value (base value is exceeded by 50 percent or more), the tax exemption shall become effective beginning on January 1 of the next calendar year.

(e) Credit memorandum. The owner of property qualifying for partial exemption of real estate taxes because of rehabilitation of a structure shall be issued a credit memorandum in the amount of the difference in taxes computed upon the base value and the assessed value of the property resulting from the rehabilitation for each year of a seven-year period of exemption from real estate taxes. Such seven-year period shall begin as specified in subsection (d) of this section. Additional increases resulting from

increases in value occurring in subsequent years of the seven-year period shall not be eligible for partial tax relief. Such credit memorandum shall be surrendered when payment is made of the real estate taxes payable for the year for which such credit memorandum has been issued. Each credit memorandum timely surrendered shall be credited in its full amount against the taxes due for the real estate for which partial exemption has been obtained. Each credit memorandum so surrendered shall be charged against an appropriation made by the board of supervisors for the purpose of honoring such credit memorandums.

(f) Credit to run with land. Exemption from taxation of real estate qualifying for the rehabilitation exemption shall run with the land, and the owner of such property during each of the seven years of exemption shall be entitled to receive a credit memorandum for such partial exemption from taxation.

(g) Methods of evaluation. In determining the base value of a structure and whether the rehabilitation results in a 50 percent increase over such base value, the director of finance shall employ usual and customary methods of assessing real estate.

(h) Exemption not applicable to demolition of historic structures. Where rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in this section shall not apply when any structure demolished is a registered state landmark or is determined by the state's department of historic resources to contribute to the significance of a registered historic district.

(i) Condition of the property. Upon making application to qualify for partial tax exemption, an applicant shall certify that the property that is the subject of the application, including the real estate upon which the structure is located, shall be maintained in compliance with all Code requirements. Failure to properly maintain the property in compliance with all Code provisions shall be grounds for denial of the requested partial tax exemption.

(Code 1995, § 20-76; Ord. No. 1019, § 4, 10-23-2001)

State law reference—Partial exemption for rehabilitated, renovated or replacement hotel and motel structures authorized, Code of Virginia, § 58.1-3220.1.

Zone Marketing Materials Attachment 4A: Zone News

New stores open, planned at Regency | The Henrico Citizen

7/24/20, 1:39 PM

Logo DynamicBusiness



Henrico County, Virginia's hometown news
source since 2001

New stores open, planned at Regency

Citizen Staff on March 01, 2019

A handful of new stores have opened at Regency mall, with a few others planned in the coming weeks.

Dynasty Kickz (which buys, sells and trades rare and hard-to-find sneakers); Universal Threads (which specializes in African-inspired apparel, jewelry and handcrafted home décor) and Upstreamers (which sells on-trend jeans, leggings, t-shirts, hats, coats, socks and accessories) opened recently inside the mall. The former is located on the lower level near Sephora, while the latter two are located on the second level across from Forever 21 (XXI Forever).



REGENCY

In addition, the following businesses will open soon:

- Your CBD Store (March 3) – The store will sell products made from CBD, which is extracted from the cannabis plant. CBD oils are a natural and organic remedy used to

<https://www.henricocitizen.com/articles/new-stores-open-planned-at-regency/>

Page 1 of 2

aid in the treatment of many common ailments such as chronic pain, anxiety, depression, migraines, diabetes, and seizures.

- **Curtain Call Home Décor (March 8)** – The high-end home and décor consignment pop-up retailer will return through March 24, on the upper deck near JCPenney. Curtain Call features furniture, rugs, window treatments, lamps, pillows, framed artwork, and home accessories on consignment. Consigned items range from major retailer's former showroom pieces to items homeowners no longer need. Beginning March 20, all items will be discounted gradually, starting at 20 percent off and increasing to 50 percent off on the final day. A percentage of sales will be contributed to CARITAS. Once the sale is complete, unsold pieces are also donated to both CARITAS and Habitat for Humanity.
- **La Cocina Mexican Delicacies (end of March)** – The Mexican restaurant will open in the food court and will serve traditional fare, including tamales, sopes, empanadas, chilaquiles soup and arroz con leche.

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Henrico County, Virginia's hometown news
source since 2001

San-J expands Henrico production facility

Citizen Staff on October 09, 2019

Soy sauce manufacturer San-J International, Inc. has doubled the size of its Henrico facility with a \$60-million investment. The company produces a variety of sauces, crackers, soups and other items.

The company announced in early 2015 that it would be investing \$38 million in the expansion project and creating 18 new jobs as a result. Virginia competed with Oregon for the location. Then-Gov. Terry McAuliffe met with San-J officials during a trip to Tokyo in 2014.

San-Jirushi was founded by the Sato family as a tamari sauce and miso company in 1804 in Mie, Japan. The company began brewing the first tamari from its Henrico facility in 1987. The plant employed 55 people at the time of the 2015 announcement.

Among the enhancements provided by the expansion:



- 60,000 square feet of new space;
- a 120-bottle-per-minute canning line (the current capacity is 60 bottles/minute);
- 10 new 36,000-gallon fermentation tanks with room for an additional 30 (existing tanks include 50 10,000-gallon tanks and 40 20-gallon tanks);
- two new presses (bringing the total to three);
- a new Muro tank (bringing the total to two);
- an oversized cooker (bringing the total to three);
- new administration offices.

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Attachment 4B: Enterprise Zone Brochures

ENTERPRISE ZONE

Business Incentives and Grants that Drive Success



ZONED FOR SUCCESS

An Enterprise Zone is a special area identified by Henrico County and approved by the state as being eligible for incentives designed to stimulate business development and job growth. Businesses

located within the Enterprise Zone can take advantage of state and county incentives for physical improvements to their properties.



Other Henrico Incentives:

- Training Seminars
- Accelerated Processing for Major Development Activities
- Fire Safety and Crime Prevention Assistance
- Commercial Revitalization Staff Assistance
- Employment and Training Assistance

HENRICO INCENTIVES



Architectural Design Assistance

- Professional "schematic design" assistance for eligible businesses planning to improve the appearance of their buildings
- Renderings and advice regarding early stages of architectural planning and cost estimates for improvements



Building Façade Grant

- Up to \$30,000 for renovations, including bringing buildings into code compliance
- Some grants carry job creation requirements



Paving and Parking Lot Sealing Grant

- Up to \$5,000 to defray costs of paving parking areas at existing or expanding businesses
- Includes sealing and stripping



Landscaping Grant

- Up to \$2,000 to help defray costs of landscaping the fronts of existing buildings or parking areas



Existing Freestanding Signage Grant

- Up to \$2,000 for demolition, replacement or refurbishment of an existing freestanding sign



Rehabilitation Real Estate Partial Tax Exemption

- Up to a seven-year exemption of real estate taxes on the increase in value of a rehabilitated commercial or industrial building that is at least 26 years old
- Assessed value of the structure must be increased by 40% or more



Off-Site Improvements Grant

- Up to \$10,000 for off-site drainage, water and sewer improvements
- Must agree to invest \$50,000 in improvements to an existing building or \$250,000 in a new one



Building Demolition Grant

- Up to \$30,000 for demolishing a structure to make way for a new building
- New building must cost at least \$250,000



Plan Review/Permit Fee Waivers

- Fee waivers for Plan of Development review, rezoning and building permits

*Grants may be used separately or with other grants.

COMMONWEALTH OF VIRGINIA INCENTIVES

The Virginia Enterprise Zone Program assists with real estate development and job creation costs in specially targeted areas identified by localities. These state incentives supplement the Henrico Enterprise Zone Program benefits.

Job Creation Grants

- Available for manufacturing, warehouse, construction and transportation businesses
- Not applicable to retail, personal service, or food and beverage businesses
- Businesses are eligible for grants of \$500 per job per year for five years if they:
 - Pay at least 175% but less than 200% of the federal minimum wage
 - Provide health benefit
- Businesses are eligible for grants of \$800 per job per year for five years if they:
 - Pay 200% of the federal minimum wage
 - Provide health benefit

Real Property Improvement Grants

- New construction
 - Businesses must spend at least \$500,000
 - Grants are issued for up to 20% of expenditures in excess of \$500,000
- Rehabilitation or expansion
 - Businesses must spend more than \$100,000
 - Grants are issued for up to 20% of expenditures in excess of \$100,000
- Projects with an investment of up to \$5 million are eligible for grants up to \$100,000
- Projects with an investment of \$5 million or more are eligible for grants up to \$200,000



HOW TO QUALIFY

Qualifying your business for Enterprise Zone incentives is simple. All you have to do is:

- Establish or build a new business in an Enterprise Zone
- Relocate an existing business to an Enterprise Zone
- Expand or make improvements to an existing business in an Enterprise Zone

LEARN MORE

For any questions about the Henrico or Virginia Enterprise Zone programs, please contact:

Henrico County Department of Community Revitalization:
Phone: 804-501-7640
Fax: 804-501-7630
Website: henrico.us/revit/enterprise-zone

Virginia Department of Housing and Community Development:
Phone: 804-371-7030
Email: ezone@dhcd.virginia.gov
Website: www.dhcd.virginia.gov/ez

To learn more about economic development opportunities in Henrico County, please visit henrico.com.



"Dogwood Veterinary was a difficult renovation with a very aggressive schedule. The Henrico Enterprise Zone staff gave me some positive tips on how to expedite the approval process with other county departments."

– Jim Migliarese, Dogwood Veterinary
Emergency & Specialty Center

ENTERPRISE ZONE LOCATIONS

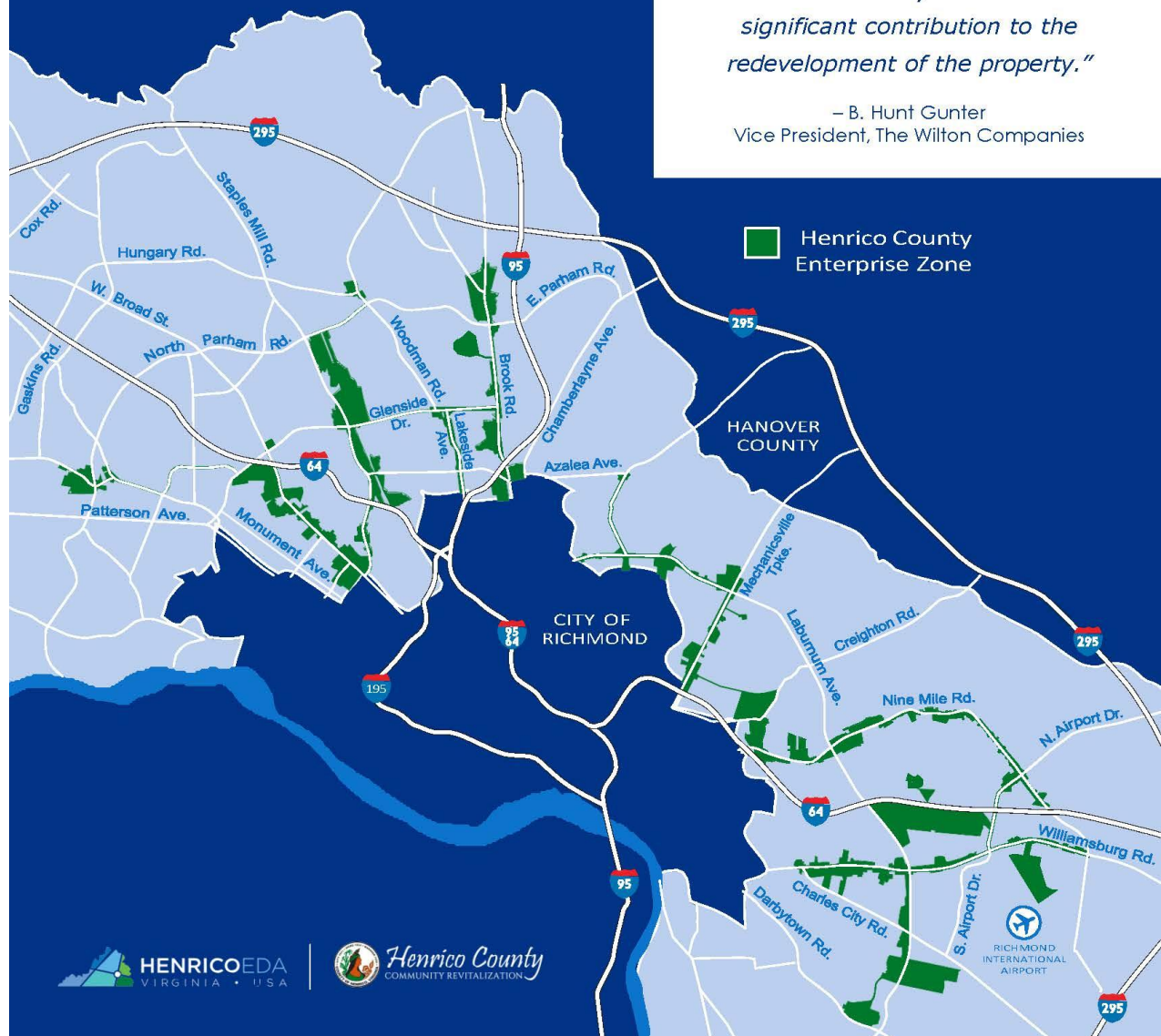
Join hundreds of companies, large and small, that have taken advantage of Henrico County's Enterprise Zone program to grow and expand their businesses. The sooner you do, the faster we can put Henrico to work for you.

For more information about Henrico County's Enterprise Zone, or to download an application for Zone benefits, please visit the County's Department of Community Revitalization site at: henrico.us/revit/enterprise-zone.



"The Enterprise Zone team turned what could have been a costly and tedious project into a simple process that saved us money and made a significant contribution to the redevelopment of the property."

– B. Hunt Gunter
Vice President, The Wilton Companies



Attachment 4C: Website Links

<https://henrico.us/revit/enterprise-zone/>

<https://henrico.us/revit/enterprise-zone/henrico-county-local-incentives/>

<https://henrico.us/services/commercial-rehabilitation-tax-credit/>

Community Revitalization

- About Us
- Asistencia para la Vivienda
- Brochures
- Community Maintenance
- Enterprise Zone
- Henrico County Local Incentives and Grant Application Forms
- Federal Block Grant Programs
- Highland Springs and Laburnum Gateway Area Revitalization Initiative
- Homeowners' Associations
- Housing Assistance
- Opportunity Zones
- Public Data
- Sandston Historic Area Survey
- Services

Enterprise Zone

What is an Enterprise Zone?

Location of Henrico County Enterprise Zone

Incentives and assistance offered by Henrico County

Will designation as an Enterprise Zone change the zoning of my property?

What State incentives are available to these firms?

How can I learn more about Henrico County's Enterprise Zone program?

Enterprise Zone Annual Reports

What is an Enterprise Zone?

An Enterprise Zone is a specific area identified by Henrico County and approved by the State for targeting incentives to stimulate business development and job growth. Businesses within the Enterprise Zone can take advantage of State and County financial and technical assistance and other incentives for physical improvements to building, parking areas, and signage.

Location of Henrico County Enterprise Zone

To access a map of the Enterprise Zone, click on one of the three maps links described below. In order to view a more detailed map and/or determine whether your business is located within the Henrico County Enterprise Zone there are several options:

1. Browse the Enterprise Zone Property List (PDF).
2. Use the County GIS System to determine whether your business falls within the Enterprise Zone.
 1. Select the Search box (top left corner).
 2. Click the down arrow button and select Henrico Address.
 3. Type the business location address or parcel address in the Search box – Once the address is entered, click the Search icon (magnifying glass).
 4. A map with Search Result box will appear, pointing to your address.
 5. Next, click the Layers button (located directly below the Down Arrow of the Search box).
 6. After selecting the Layers button, click the down arrow left from "External GIS Data". (If the "External GIS Data" layers do not appear, simply refresh the web browser.)
 7. A list of options will appear, click the radio button on the left of "Community Revitalization".
 8. Again click the down arrow left of "Community Revitalization" and select the radio button on the left of "Enterprise Zones".
 9. After selecting the appropriate layers, the map should now show the Enterprise Zone for Henrico County.
3. Maps of the Zone in three parts can be downloaded by clicking any of the three links below.
4. For maps of all Enterprise Zones in Virginia, including Henrico County, visit the site of the [Virginia Economic Development Partnership](#) and click "Access Downloadable Data".

For additional assistance, please call the Henrico Department of Community Revitalization at (804) 501-7640.

Maps of the Enterprise Zone		
Western	Central	Eastern
West Broad Street, Staples Mill Road, Lakeside Avenue, Brook Road, Hungary Road, Woodman Road, Quicocasin Road, Three Chopt Road, Eastridge Road, and Parham Road (PDF) (.pdf)	Laburnum Avenue, Mechanicsville Turnpike, Nine Mile Road, Azalea Avenue, and Richmond-Henrico Turnpike (PDF) (.pdf)	Audubon Drive, Williamsburg Road, and South Laburnum Avenue (PDF) (.pdf)

Users may enlarge (zoom in) the above maps.

Incentives and assistance offered by Henrico County

For qualifying projects, Henrico County will provide financial assistance, accelerated development processing, permit and fee waivers, a seven year real estate tax exemption, commercial and industrial rehabilitation grants, employment and training assistance, and technical assistance. View the complete list of [financial and technical assistance](#) and other incentives available to enterprise zone business and [application forms](#).

Will designation as an Enterprise Zone change the zoning of my property?

No, designation as an Enterprise Zone does not change the zoning of your property.

What State incentives are available to these firms?

There are two state grants: job creation and real property investment. These are available in addition to the County incentives outlined in the above list. They can be used in conjunction with Henrico County incentives or separately.

Job Creation Grant

Depending on the wage paid and benefits provided, grants are available for up to \$800 per job per year for five years.

Real Property Improvement Grant

Businesses making real property improvements in excess of \$100,000 for rehabilitation and \$500,000 for new construction are eligible for grants up to 20% of the value of the improvement. Maximum amounts available are \$100,000 for rehabilitation and \$200,000 for new construction.

For additional information on State Incentives contact the Virginia Department of Housing and Community Development (804 371-7040) at ezone@dhdcd.virginia.gov, or visit the [Virginia Enterprise Zone Program website](#).

How can I learn more about Henrico County's Enterprise Zone program?

Information about the Enterprise Zone and detailed maps can be reviewed at the Permit Centers in the Eastern and Western Government Centers, at any of the Henrico County public libraries, or at the Department of Community Revitalization. For more information concerning the Henrico County Enterprise Zone or for general information on this subject, call the Henrico Department of Community Revitalization at (804) 501-7640.

Enterprise Zone Annual Reports

Each year Henrico County submits to the Virginia Department of Housing and Community Development an Annual Report describing activity in the County Enterprise Zone for the previous year.

- [2017 Report \(PDF\)](#)
- [2016 Report \(PDF\)](#)
- [2015 Report \(PDF\)](#)
- [2014 Report \(PDF\)](#)
- [2013 Report \(PDF\)](#)
- [2012 Report \(PDF\)](#)
- [2011 Report \(PDF\)](#)

Contact Us

Community Revitalization

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 4905 Dickens Road, Suite 200
 Henrico, VA 23230

Phone
 (804) 501-4757

Fax
 (804) 501-7630

Mailing Address
 P. O. Box 90775
 Henrico, VA 23273-0775

Office Hours:
 Monday to Friday
 8:00 AM to 4:30 PM

Email

Director

Community Development

Community Maintenance

Quick Links

- [File a Zoning or Environmental Complaint](#)
- [Community Cleanup Program](#)
- [Enterprise Zone Grant Forms](#)