




2025 Enterprise Zone Amendments

Boundary Expansion and Recharged Incentives

Presented by The Office of Economic Development

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- A horizontal decorative bar consisting of several colored segments: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and olive green.
- ◆ Enterprise Zones provide a framework for the coordination of diverse activities to improve community and economic conditions of distressed areas.

Statewide EZ Incentives:

- Real Property Investment Grants
- Job Creation Grants

Local EZ Incentives:

- Determined by locality
 - Incentive 1: High Tech Business Location & Expansion
 - Incentive 2: Professional Jobs Grant
 - Incentive 3: Premier Company Location
 - Incentive 4: Creative Class/Entrepreneurship
 - Incentive 5: Destination Retail
 - Incentive 6: Minority Business
 - Incentive 7: Property Tax Exemption
 - Incentive 8: Increased Property Tax Exemption for Low-Impact Development

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◆ Staunton Enterprise Zone Fast Facts

- Originally Established in 1990, expired in 2010.
- Current Zone re-designated in 2010 and expires in 2044
- Amendments to boundary and or incentives can be made once every 12 months.
- Latest incentive amendment in 2015.
- Latest boundary amendment 2006.
- Zone is Limited to 899 acres, three non-contiguous areas.

Why Amend?

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INCENTIVE UNDERUTILIZATION:

The last amendments to the Incentives were done in 2016. Since then, only two of the eight incentives offered have been utilized.

Incentive 1 (High Tech Business Location & Expansion) was last utilized in 2019.

Incentive 7 (Property Tax Exemption) was the most utilized incentive; however, this incentive is run through the Assessor's office and is available to others outside of the EZ as the residential or commercial rehabilitation tax abatement program.

Why Amend?

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COMMUNITY FEEDBACK:

Early feedback from the first community event for the Comprehensive Plan garnered feedback which called for “funding incentives” and “improved incentives to maintain buildings and create job opportunities.”

DIRECT BUSINESS GROWTH ALONG WEST END:

In alignment with Community efforts, as well as in support of the new courthouse project, we should consider extending the boundaries along the West End to encourage business growth and to ultimately capture revenue and contribute to the city's economic vitality.

The Process

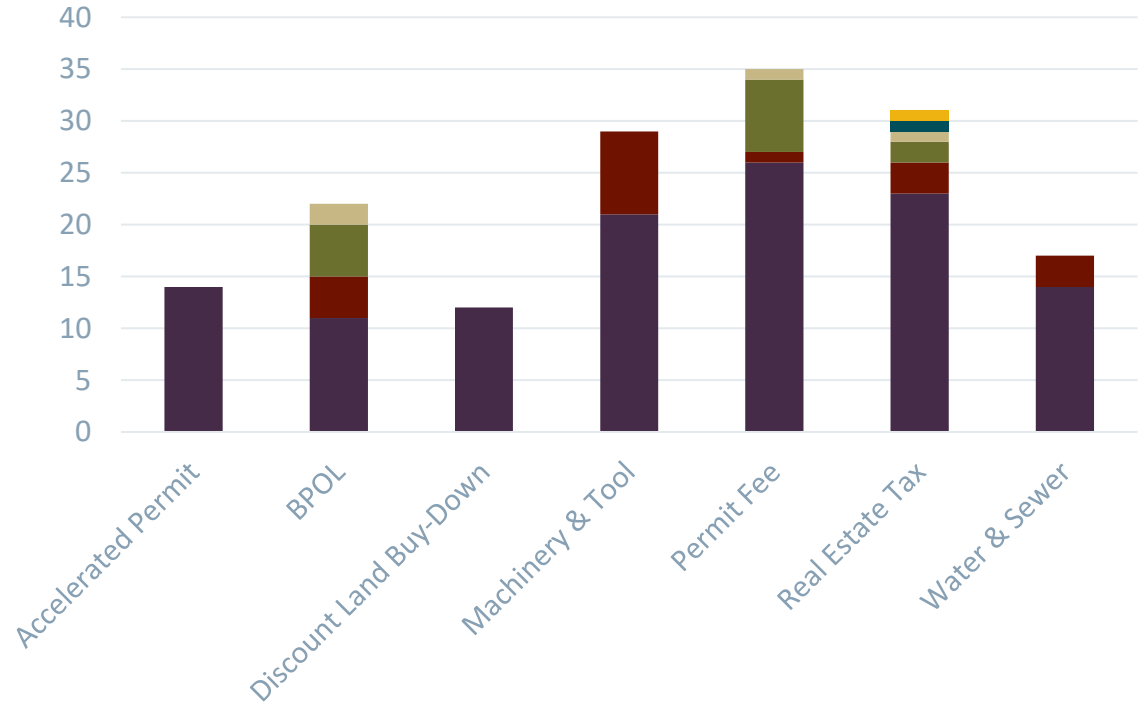
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- Data Review
- Proposed Incentives for Economic Development Authority Review
- Two rounds of Stakeholder Feedback
- Internal discussion with City Departments
- Final Review by Economic Development Authority
- Pre-Approval by Department of Housing and Community Development

State EZ Incentive Trends

Currently there are 45 active Enterprise Zones in Virginia with over 150 unique incentive offerings at the local level. An audit revealed seven incentives that are offered by at least 25% (over 11) of the localities.

*Colors represent variations of incentives



Staunton Business Survey Findings

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80%

of business surveyed
would choose to locate
in Staunton again

GROWTH PLANS

- **18** Businesses plan to increase employment
- **25** plan to maintain current employment

KEY CHALLENGES IDENTIFIED

- Difficulty accessing capital
- Workforce issues (skills, attendance, discipline)
- High utility costs
- Permit/fee barriers to growth
- Limited awareness of available programs (only 57% of respondents aware of EZ, 7% had utilized)
- Confusion between roles of Staunton Downtown Development Association and Economic Development Office
- Regulatory processes too complex

The Data

- **48%** have not utilized any business assistance programs
- **25%** utilized COVID-related assistance
- **16%** utilized local resources (SCCF, Chamber)
- **9%** utilized state-level programs
- Many reported uncertainty about available programs

Over all, the responses from businesses communicated the following:

- Lack of awareness about available programs (both local and beyond)
- Challenges with accessibility for small businesses
- Interest in greater engagement & participation
- Desire for more information

Proposed Incentives

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Large Business Investment Incentive

Target: Manufacturing and Larger Businesses

Benefits:

- 3-year graduated tax waiver on machinery/tools and business personal property
- Year 1: 50% rebate on increased tax
- Year 2: 40% rebate on increased tax
- Year 3: 30% rebate on increased tax
- 2 additional years (20% each) for \$5M+ investments

Requirements:

\$750K+ in machinery/tools OR \$400K+ in business personal property
10+ new full-time jobs (300% of federal minimum wage)
5-year operation commitment

Addresses:

- Capital investment barriers
- Equipment modernization needs
- Manufacturing sector competitiveness
- Job creation for larger employers

Proposed Incentives

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Facade & Renovation Grant

Target: Retail, restaurants, and commercial properties

Benefits:

- Up to \$10,000 (33% of eligible improvement costs)
- Interior renovations eligible (up to 30% of grant)

Addresses:

- Business appearance and functionality
- Customer experience improvements
- Storefront vacancy issues
- Downtown revitalization needs

Requirements:

- Located within Enterprise Zone
- Commercial, industrial, or mixed-use property
- Pre-approval before work begins
- Minimum investment of \$5,000 (\$2,500 for fast-track)
- Compliance with building codes and design guidelines
- Completion within 12 months of approval



Proposed Incentives

Small Business Technology & Training Grant

Target: Small and medium businesses needing modernization

Benefits:

- Up to \$5,000 for technology improvements
- Employee technology training included (25% of grant)

Addresses:

- Digital transformation needs
- Workforce skill development
- Operational efficiency

Requirements:

- Located within Enterprise Zone
- Business must have fewer than 50 employees
- Minimum \$2,500 technology investment
- Commitment to remain in zone for 2+ years
- Match of 25% for businesses with 10+ employees



Proposed Incentives

Job Creation Performance Grant

Target: Growing businesses adding employees

Benefits:

- \$500 base payment per new full-time position
- \$250 skills training bonus
- \$250 retention bonus (18+ months)
- 300% minimum wage threshold
- Workforce Development Partnership

Requirements:

- Located within Enterprise Zone
- Net new full-time positions (35+ hours/week)
- Positions maintained for at least 11 months
- Health benefits offered to employees
- Positions not previously qualifying for grants
- Annual verification of continued employment

Addresses:

- Employment growth incentives
- Workforce quality and retention
- Training needs
- Wage pressure challenges



Proposed Incentives

Marketing Support Grant

Target: New businesses and business expansions

Benefits:

- Up to \$2,500 for marketing activities
- 50% reimbursement standard, 100% for Staunton providers
- Supports both digital and traditional marketing

Requirements:

- Located within Enterprise Zone
- Must be either a new business or an existing business undertaking expansion or launching new products/services
- Completed within 12 months of approval date
- Applications must be approved BEFORE marketing expenses are incurred

Addresses:

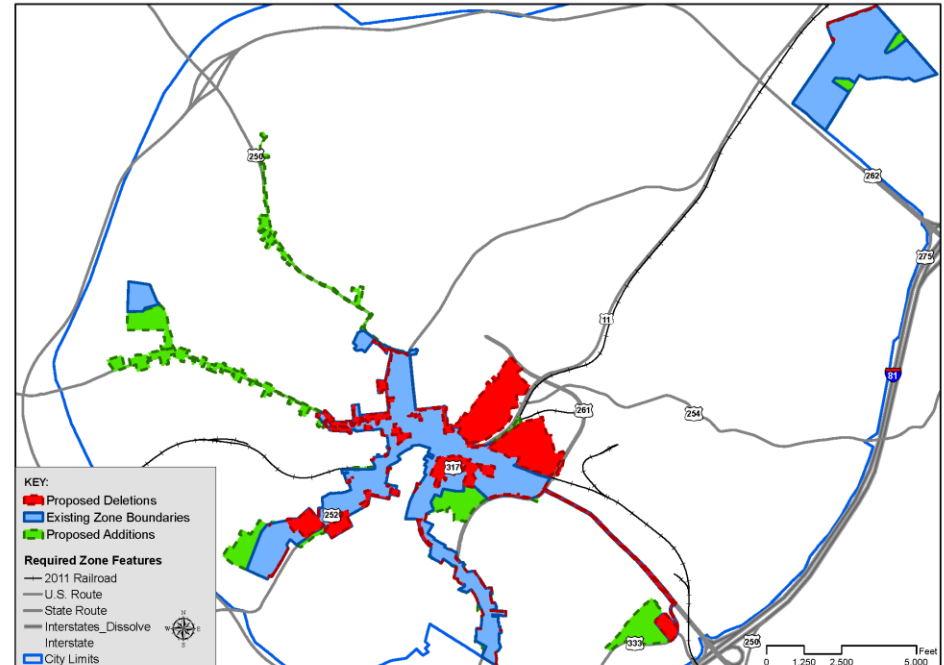
- Helps establish market presence
- Supports customer acquisition efforts
- Builds business-to-business relationships
- Strengthens local economic ecosystem
- Provide assistance with capital costs

Proposed Boundary Amendment

Boundary Changes

- Prioritizes adding Commercial/Industrial Parcels on the West End
- Removes “partial parcels”
- Removes unnecessary roadway
- Removes Residentially Zoned Parcels

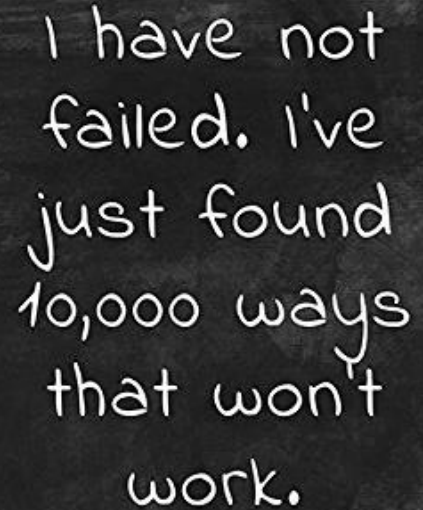
Enterprise Zone Boundary Amendment Map 1



Where do we go from here...

Enterprise Zone

- Upon Approval, begin roll out of implementation
 - Engage with Community Partners; SDDA, SWEBA, SCCF, SBDC, GARCC
 - Mailing to all EZ Property Owners with updates
 - Hold Information Sessions
 - Ongoing Attention/Data Monitoring

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I have not failed. I've just found 10,000 ways that won't work.

- Thomas Edison



Where do we go from here...



Additional Initiatives to Support EZ Amendments

- Updated Website
 - Work has begun, anticipated launch in first quarter of 2026
- Local Newsletter
 - To launch alongside Website
- Walk-about-Wednesdays

Thank You



Thank you to businesses and stakeholders for your participation and engagement during the amendment process. Your feedback is invaluable in shaping Staunton's economic future.

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