

VIRGINIA ENTERPRISE ZONE PROGRAM

The Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development (DHCD), assists with business development and expansion in specially targeted areas throughout the state called Enterprise Zones.

Enterprise Zone Job Creation Grants

For companies creating at least four net new qualifying jobs with health benefits and paying at least twice the federal minimum wage rate*, a job grant amount of up to \$4,000 is available for each job over the four threshold jobs. Companies paying 1.75 times the federal minimum wage rate are eligible for up to \$2,500 per qualifying job over the threshold amount. In Enterprise Zones designated as high unemployment areas by DHCD, companies paying 1.5 times the federal minimum wage rate are eligible for up to \$2,500 per qualifying job over the threshold amount. Jobs with pay rates below the threshold are not eligible for the job grant.

** Note: The federal minimum wage is \$7.25 per hour*

Grants are paid in annual installments of either a maximum of \$500 or \$800 per job and are available for qualifying jobs over the threshold for a five-year grant period. Grants are calculated based on the number of full months worked during a calendar year. In cases where a position is filled or is grant eligible for only a portion of the year, the grant is prorated based on the number of full months the position was filled and/or grant eligible. This applies to cases where there is a change in the wage rate, health benefits or the federal minimum wage rate.

Businesses must qualify for the grants annually. The company makes an application for the grant in the following calendar year and funds are dispersed by mid-year. Qualifying companies may claim the grants on up to a maximum of 350 jobs per year.

Enterprise Zone Incentives are subject to annual proration if demand for the program exceeds budget levels. Job Creation Grants receive funding priority. Real Property Investment Grants are subject to proration if the grants requested exceed the remaining funding.

In order to access Enterprise Zone incentives, companies must apply to the DHCD. For additional information, please visit:

<http://www.dhcd.virginia.gov/index.php/community-partnerships-dhcd/downtown-revitalization/enterprise-zone.html>

*Please note a company may claim both EZ Job Grants and Major Business Facility Tax Credits at the same facility however not for the same jobs.

Real Property Investment Grant

Qualified zone investors (entities and individuals) investing in qualifying industrial, commercial or mixed use real property may receive a cash grant. The grant is equal to 20 percent of the excess above the minimum required investment up to a maximum of \$100,000 for companies investing \$5 million or less in qualified real property investments for the calendar year the property is placed in service in a Zone. For companies investing more than \$5,000,000, the maximum grant is equal to 20 percent of the excess above the minimum required investment up to a maximum of \$200,000.

Total grant awards may not exceed the maximums specified above within a five-year period for a specific building or facility. Investment in rehabilitation/expansion projects must equal at least \$100,000. New construction projects must invest at least \$500,000 in qualified real property investments.

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