

Southampton County
Enterprise Zone Ordinance

Short Title

This ordinance shall be known and may be cited as the “Southampton County Enterprise Zone Ordinance”.

Statement of Purpose

The Enterprise Zone Grant Act, Section 59.1-538, et seq. of the Code of Virginia, as amended, authorizes the establishment of Enterprise Zones. It is the purpose of the Enterprise Zone Grant Act, and of this ordinance, to stimulate business and industrial growth within the area so designated as the Southampton County Enterprise Zones by means of incentives offered to businesses and industries by the Commonwealth in Virginia Code Section 59.1-538, et seq., and separate incentives to businesses and industries offered by Southampton County as set forth in this ordinance.

Boundaries

Three separate areas of the County have been designated as enterprise zones. The boundaries of each separate enterprise zone are as set forth on the map entitled “Southampton County Enterprise Zones” which is on file in the County’s Community Development Department, in the County Administrator’s office and in the Franklin Southampton Economic Development Office. The boundaries of these three zones may be amended from time to time. The three zones have been declared enterprise zones by the Governor of the Commonwealth of Virginia for a period of ten years, ending December 31, 2019, pursuant to the Enterprise Zone Grant Act. The ten year period is subject to extension by the State for two successive five year periods.

Definitions

As used in this ordinance, the following definitions shall apply:

Enterprise Zone means the area as defined herein and declared by the Governor of the Commonwealth of Virginia to be eligible for the benefits under The Enterprise Zone Grant Act (Section 59.1-538 et seq.) and eligible for the benefits described herein as incentives offered by the County, subject to change from time to time.

County means Southampton County, Virginia.

Business firm means any business entity, incorporated or unincorporated, which is authorized to do business in the Commonwealth of Virginia and which is subject to state individual income tax, state franchise or license tax on gross receipts, or state bank franchise tax on net taxable capital.

The term “business firm” includes partnerships and small business corporations electing to be taxed under Subchapter S of the Federal Internal Revenue Code, and which are not subject to state income tax as partnerships or corporations, but the taxable income of which is passed through to and taxed as income of individual partners and shareholders.

The term “business firm” does not include organizations which are exempt from state and/or federal income tax on all income except unrelated business taxable income as defined in the Federal Internal Revenue Code, Section 512; nor does it include homeowners associations as defined in the Federal Internal Revenue Code, Section 528.

Existing business means a business firm that was actively engaged in the conduct of trade or business in an area prior to such an area being designated as an enterprise zone or that was engaged in the conduct of trade or business in the Commonwealth and relocates to begin operation of a trade or business within the enterprise zone.

Mixed use means a building incorporating residential uses in which a minimum of 30% of the useable floor space will be devoted to commercial, office, or industrial use. Buildings where less than 30% of the useable floor space is devoted to commercial, office or industrial use shall be considered primarily residential in nature and not eligible to receive Enterprise Zone incentives. This definition applies solely for the purpose of qualifying for Enterprise Zone incentives.

New business means a business not previously conducted in the Commonwealth that begins operation in an enterprise zone after the zone was designated. A new business is also one created by the establishment of a new facility and new permanent full time employment by an existing firm in an enterprise zone and does not result in a net loss of permanent full time employment outside the zone.

State Grant Incentives

For informational purposes, the State offers two separate and distinct grant incentives. One incentive is a job creation grant that is outlined in Virginia Code Section 59.1-547. The other incentive is a real property investment grant that is outlined in Virginia Code Section 59.1-548. Reference is made to these code sections to obtain more information. The State can amend these grant incentives without notice. Application for State grant incentives must be made within the same calendar year as the Certificate of Occupancy is issued or the final inspection is conducted. For more information an interested party can inquire at the Franklin Southampton Economic Development, Inc., office.

Local Grant Incentives

The County has created various incentives pursuant to Virginia Code Section 59.1-543 that apply to many aspects of beginning a new business or improving or expanding an existing business in the County. The incentives, subject to amendment without notice, are as follows:

(A) Discounted Purchase Price of County Owned Industrial Land

The County is the owner of the undeveloped land located in the Southampton Commerce and Logistics Center (“Turner Tract”) and the Southampton Business Park. These Industrial Parks are located in two of the three designated enterprise zones. The County will offer a discount on the purchase price of land up to a maximum of 10 acres of land by a new business or existing business provided the business makes an investment in building improvements and machinery and tools equaling \$500,000 or more as follows with example market pricing:

Investment Range	Price/Acre
\$500,000 to \$1,000,000	\$25,000/acre
\$1,000,001 to \$5,000,000	\$15,000/acre
\$5,000,001 to \$10,000,000	\$ 5,000/acre
\$10,000,001 or more	\$0/acre

(B) Building Rehabilitation Incentive

The County will offer an exemption from the increase in real estate taxes for ten (10) years for renovations in excess of \$5,000 to existing buildings over 15 years of age with no prior improvements. The County will offer a rebate equal to the initial increase in the real estate tax related to the increase in value of renovation improvements over the value of existing improvements before the renovation. The increased real estate taxes will be assessed and paid by the business when complete and the County will rebate an amount equal to the tax within 60 days after December 5th of each year provided no other taxes are owed to the County.

(C) Machinery and Tool Tax Rebate

This incentive applies to all three enterprise zones in the County. If a new business or an existing business makes an investment in building improvements and machinery and tools equaling a minimum of \$150,000 and provides hourly employment wages at an average of 150% of the federal minimum wage, then the County will rebate 50% of the machinery and tools taxes paid to the County for a period of five (5) years. The rebate will be paid annually within 60 days after December 5th of each year provided no other taxes are owed to the County.

(D) Reduced Electric Utility Tax Rebate

This incentive applies to all three enterprise zones in the County. If a new business or an existing business makes an investment in building improvements and machinery and tools equaling a minimum of \$150,000 and creates new employment for at least five (5) people. The County will provide a rebate of the utility tax in decreasing amounts for five years on the following schedule:

Year	Rebate Amount
1	100%
2	80%
3	60%
4	40%
5	20%

In order to receive this rebate the new or existing business shall provide Southampton County with a copy of the electric utility bills no later than 30 days prior to December 5th of each year. In the event of an expansion by an existing business, only the increase of the electric utility tax directly related to the expansion will be rebated. The rebate will be paid within 60 days December 5th of every year provided no other taxes are owed to the County.

(E) Rebate of Administrative Land Development Fees

This incentive applies to all three enterprise zones in the County. If a new business or existing business makes an investment in building improvements and machinery and tools equaling a minimum of \$500,000 and creates new employment for at least five (5) people, then the County will rebate certain administrative land development fees normally due to the County. The rebates will be paid within 60 days of December 5th of each year provided no taxes are owed to the County and after the certificate of occupancy or final inspection, whichever comes later, has been issued by the Director of Community Development. Fees eligible for rebate are as follows: Erosion & Sediment Control Plan Review, Stormwater Management Plan Review, Rezoning, Conditional Use Permits, Variances, Sign Permits, and all permit fees associated with the administration and enforcement of the Virginia Uniform Statewide Building Code.

(F) Fast Track Permitting Process

This incentive applies to all three enterprise zones in the County. If a new business or an existing business makes an investment in building improvements and land and machinery and tools equaling a minimum of \$500,000 and creates new employment for at least five (5) people, then the County staff will meet with the design professional to perform a fast track review of the designated project's site plan and provide written comments in not more than seven working days. This incentive is valuable to those businesses seeking to design build and begin operations as soon as possible.

(G) Temporary Office Space

This incentive applies to all three enterprise zones in the County. If a new business or an existing business intends to make an investment in building improvements and land and machinery and tools equaling a minimum of \$500,000 and intends to create new employment for at least five (5) people, then the County will attempt to provide free of charge for up to three months temporary office space for an administrative staff for up to five (5) persons while a facility is under construction or renovation. After three months a fee will be charged and a signed lease will be required. If free temporary office space is not available, then the County will assist in searching for available short term space for lease.

(I) Workforce Hiring and Screening Services

This incentive applies to all three enterprise zones in the County. The Paul D. Camp Community College Regional Workforce Development Center is located in the City of Franklin. Contained within the Workforce Development Center is the One Stop Job Center. The One Stop Job Center will provide complimentary assistance with job posting, applicant screening and testing and assistance in hiring personnel.

(J) Job Profile Assessment

This incentive applies to all three enterprise zones in the County. If a new business or an existing business makes an investment in building improvements and land and machinery and tools equaling a minimum of \$500,000 and creates new employment for at least ten (10) people, then the Paul D. Camp Community College Regional Workforce Development Center will work with qualified companies to take advantage of a reduced rate in conducting a job skills assessment and job skills level need.

(K) Welcome Wagon

This incentive applies to all three enterprise zones in the County. If a new business or an existing business makes an investment in building improvements and machinery and tools equaling a minimum of \$500,000 and creates new employment for at least five (5) people, then Franklin Southampton Economic Development, Inc., will offer complimentary and/or discounted services from local organizations and businesses at the time business operations begin.

Application Process

Any business seeking to receive local enterprise zone incentives shall make application to the enterprise zone administrator on forms provided by the administrator within sixty (60) days of the certificate of occupancy or final inspection. The enterprise zone administrator shall require the business to provide documentation establishing that it has met the requirements for the receipt of local enterprise zone incentives. Failure to provide requested documentation shall result in a denial of the application for local incentives.

The eligible business firm must maintain all investment requirements during the incentive period including the number of jobs created and required wage rates. If, at any time and for whatever reason, the business firm eliminates or reduces the required investment the incentive will be suspended.