



ENTERPRISE ZONE GRANTS

Danville, Virginia

Reimbursement of Tap fees - \$5000 max

Water, sewer, and natural gas tap fees are reimbursed for companies that build new facilities or renovate an existing structure within the Enterprise Zone and create 20 new permanent, full-time positions. The tap fee program provides a cash grant to the job creating company of up to \$5,000 to help offset costs for water, sewer, and natural gas extensions. Job creation thresholds are not required for redevelopment or new construction projects located on qualifying Enterprise Zone parcels within the River District, the Schoolfield Historic District, North Main Hill, and Five Forks; however, a minimum investment of \$500,000 must be met to receive this benefit.

Exemption from City Permit Fees

The City of Danville will waive the cost of permits required to prepare a site and/or facility for a company. The City does not have the authority to waive fees mandated by the state or federal governments.

Machinery and Tools Tax Rebate

-A 50% rebate of machinery and tools tax is available to industries that make an investment that results in an increase in tax revenues, as compared to the prior year.

- For example: Assuming the projected machinery and tools investment from your project is \$3,000,000 in taxable machinery and tools, this incentive has an estimated value of \$4,500.
- $3,000,000 \times 20\% = \$600,000 \times \$1.50 = \$900,000$
 $\$900,000 / \$100 = \$9,000$
 $\$9,000 \times 50\% = \$4,500$

-Machinery and tools purchased and installed during the calendar year are assessed on January 1 of following year. (Machinery and tools investments are assessed at 20% of their capitalized cost for the first 10 years. A tax rate of \$1.50 per \$100 valuation is applied to the assessed valuation to yield the annual tax amount. After 10 years, the machinery and tools are assessed at 10% of their capitalized cost prior to the application of the tax and 2% after 15 years.)

-This benefit is not available if company receives any other local Economic Development incentive from the City, Industrial Development Authority of Danville, VA, or Danville-Pittsylvania Regional Industrial Facility Authority since this value is calculated as part of the local incentive. (Applicable during local performance period.)

Business and Professional License Rebate (Does Not Apply to Manufacturers)

The City reimburses a percentage of the increase in BPOL as compared to the previous year for firms located in the Enterprise Zone based on the following schedule.

15% of the increase	For no new PFTE (Permanent Full Time Employee)
25% of the increase	For 1 new PFTE *no minimum wage or benefits requirements
30% of the increase	For 2 new PFTE *no minimum wage or benefits requirements
35% of the increase	For 3 new PFTE *no minimum wage or benefits requirements
40% of the increase	For 4 new PFTE *no minimum wage or benefits requirements
45% of the increase	For 5 new PFTE *no minimum wage or benefits requirements
50% of the increase	For more than 5 new PFTE that offer 150% of federal minimum wage and offer health benefits

This benefit is not available if company receives any other local Economic Development incentive from the City, Industrial Development Authority of Danville, VA, or Danville-Pittsylvania Regional Industrial Facility Authority. (Applicable during local performance period.)

Local Jobs Grants

To further encourage job creation in Danville and lower the persistent unemployment rate, the City of Danville provides a one-time grant to businesses that create high-wage, full-time, permanent positions in an Enterprise Zone that are net new jobs for the City of Danville. These positions must also be offered health benefits with the employer paying at least 50% of the health insurance premium.

- \$500 per grant eligible position filled by an employee earning at least \$14.42 per hour, who was offered health benefits
- \$800 per grant eligible position filled by an employee earning at least \$26.44 per hour, who was offered health benefits
- \$1,000 per grant eligible positions filled by an employee earning at least \$36.06 per hour, who was offered health benefits

For SWAM certified businesses under regulations adopted by the Virginia Department of Small Business Supplier Diversity (SBSD), a cash grant of \$500 per job for positions paying at least \$12.50 per hour; \$800 per job for positions paying at least \$21.63 per hour, and \$1,000 per job for positions paying at least \$31.25 per hour. All positions must be offered health benefits.

The following positions are prohibited from being claimed:

- Seasonal, temporary, leased, or contracted positions.
- Personal service, food and beverage, and retail positions.
- A person who previously qualified for a JCG in connection with a different Enterprise Zone location on behalf of the applicant taxpayer, a related job, or a trade or business under common control (i.e., cannot claim the same job twice).
- To receive benefits, company must apply to the Office of Economic Development by April 1st.
- Benefits are calculated on a calendar year basis. (January 1st – December 31st)