

Commonwealth of Virginia Incentives

The Commonwealth of Virginia works closely with existing businesses throughout the state as well as prospective businesses across the nation and the globe to attract commercial investment and high value job opportunities in Virginia. Most of these efforts are done through the Virginia Economic Development Partnership (VEDP), which was created in 1995, along with a small number of other state agencies. The mission of VEDP is as follows:

“To enhance the quality of life and raise the standard of living for all Virginians, in collaboration with Virginia communities, through aggressive business recruitment, expansion assistance, and trade development, thereby expanding the tax base and creating higher income employment opportunities”

To fulfill this mission, VEDP focuses on cultivating new business investment, fostering international trade growth and encouraging the expansion of existing Virginia businesses. To help cultivate and support business investment in the Commonwealth, Virginia has demonstrated a willingness to invest in those who invest in the Commonwealth with a variety of performance-based incentives. From tax credits and tax exemptions to cash grants, Virginia continues to demonstrate a willingness to invest in those who invest and reinvest in the Commonwealth.

For more information on these incentives please visit:

<https://www.vedp.org/incentives>

<http://www.petersburgva.gov/1044/Resources-and-Incentives>

or contact our office at:

(804) 733-3223 or e-mail at econdev@petersburg-va.org

The City of Petersburg is economically competitive through innovative strategies for business attraction, expansion, and retention. The development and implementation of these strategies establish the City's prominence as a premier location of commerce and industry in Central Virginia. Improvements to the City's infrastructure are strategically planned to expand water, wastewater, natural gas, broadband, and other utility systems to accommodate new development. The City works collaboratively with the Commonwealth of Virginia, regional organizations, economic development agencies, and other jurisdictions, local businesses and our citizens to enhance investment and job creation. As the center of Virginia's Gateway Region, the City of Petersburg is truly a "Gateway" location with interstate and primary highway access, along with its other unique assets, that serve to attract businesses and tourists alike.

The goal of the Department of Economic Development is to foster Commercial, Retail, Industrial, and Logistical Development. In doing so, we can continue to make the City of Petersburg a premier location for new and existing businesses to thrive.

The definition of economic development incentives is :

“ A deliberate policy or a set of policies designed to make a location more attractive to particular investment decision-makers.”



2021 Economic Development Incentives

Department of Economic Development

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The City of Petersburg has one Enterprise Zone: The Central Business District Zone.

The zone has a unique incentive to promote development of properties within this zone. The location is offered below within this map.



The Central Business District offers the following local incentives:

Facade Improvement Grant—The grant is equal to not more than fifty percent of the cost of facade renovations, awarded on a reimbursement basis upon completion of work, and grant awards may total up to \$5,000.

Architectural Assistance Grant—This grant is equal to not more than fifty percent of the cost to create plans for interior renovations to commercial buildings, awarded on a reimbursement basis upon completion of work, and grant awards may total up to \$2,500.

Tap Fee Reduction—Fees associated with connecting to the city's water and sewer system are reduced by fifty percent for commercial properties converted to at least five residential units.

City Assessor Enhancement to Real Estate Rehabilitation Tax Exemption—The partial exemption of real estate property taxes provided under this program is equal to the increase in assessment above the predetermined assessed base value. The exemption is limited to the first two million dollars of increased value for a period of five years. For more information on the incentives under this program please contact the Department of Economic Development.

Machinery and Tool Tax Reduction—The City of Petersburg will provide a rebate of 50% of machinery and tools taxes collected from new industries locating in the Central Business District Enterprise Zone. The rebate starts the year that the industry begins operations and it is available for five consecutive years.

Discounted purchase price of City-owned Industrial Sites—Industrial sites owned by the City of Petersburg will be sold at below market prices to targeted businesses that meet the wage and benefit requirements of the State Jobs Grant incentive at the \$500 grant level (minimum of five full-time positions earning at least 150% of the Federal minimum wage with health benefits, and personal service, retail, food and beverage positions are not considered eligible).

City of Petersburg Technology Zone Incentives

A Capital Investment Grant is available to eligible businesses located in the City of Petersburg's I-95 Technology Zone. The grant is administered by the Grant Administrator based on that the qualified technology business has such new equipment or qualifying existing equipment during the grant period. The grant is equal to 100 percent of the machinery and tools taxes calculated by the Commissioner of Revenue in accordance with the Commissioner's depreciation schedule. For more information, please contact the Petersburg Department of Economic Development.

The Opportunity Zone

An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

Website: <https://www.dhcd.virginia.gov/opportunity-zones-oz>



The City of Petersburg Tourism Zone

Commonwealth of Virginia Tourism Development Financing Program. The Commonwealth of Virginia has established a financing program for qualified Virginia tourism development projects. This program provides two different tiers of financing to compensate for a shortfall in project funding. Learn more at <https://www.vatc.org/TDFP>.

The City of Petersburg Historic District

The Petersburg Historic Zoning Ordinance was adopted in 1973 as Article 35 of the city's Zoning Ordinance. The purpose of the ordinance is to preserve, protect, and enhance the City's cultural resources.

All alteration to structures located in the Federal, State or Local Historic Zone are subject to review by the Architectural Review Board.

Businesses and residential homes located in the Historic Zone are eligible for Historic Tax Credits based on their designation (Federal, State or Local).

The Arts and Cultural District

The City of Petersburg has established an Arts and Culture District (Petersburg Municipal Code of Ordinances Chapter 38, Article V) to encourage the continued development and success of its arts and cultural venues. Attached with this District is an incentive program, authorized by the Code of Virginia § 15.2-1129.1. This incentive permits an exemption of the admissions tax to qualified arts organizations for a period of no more than 10 years.

