

Update Presentation: CARE Program & Enterprise Zone Program

Richmond City Council
Finance and Economic Development Standing Committee
July 20, 2023

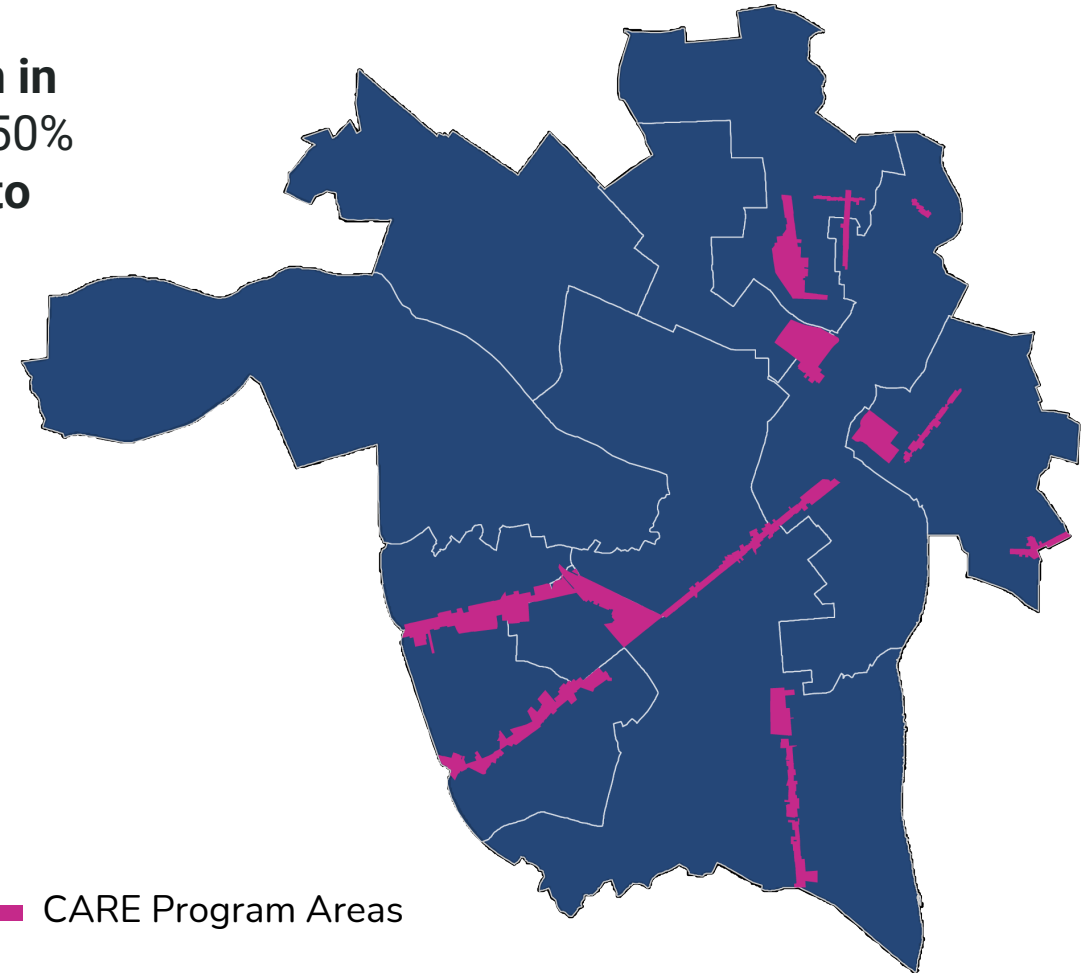


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Commercial Area Revitalization Effort (CARE) Program

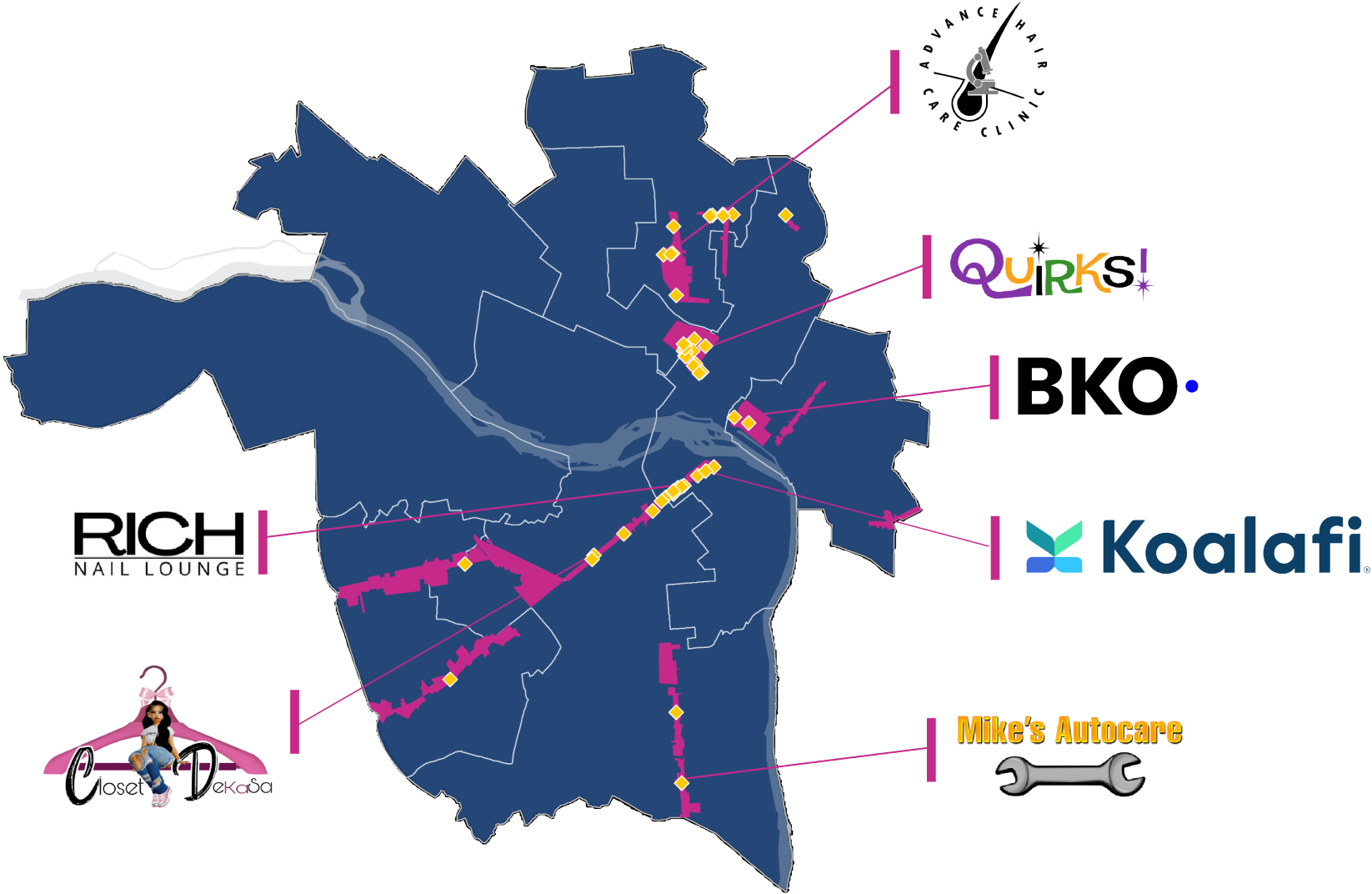
The CARE program encourages and supports **revitalization in designated areas of the City**. It provides rebates equal to 50% of eligible expenses for **exterior or interior improvements to existing commercial structures, up to \$25,000.***

- The program was created in 1992 to support the revitalization of Hull Street; it has expanded over the years to additional areas of the City
- Administered through the Economic Development Authority
- In 2021, City Council approved updates to the CARE program to increase award amounts, align benefits with market needs, and streamline administration.



CARE Program Awards FY 2021-FY 2023

49
COMPANIES
RECEIVED AWARDS
-
\$667,157
FUNDS AWARDED



 CARE Program Areas
 Companies Awarded

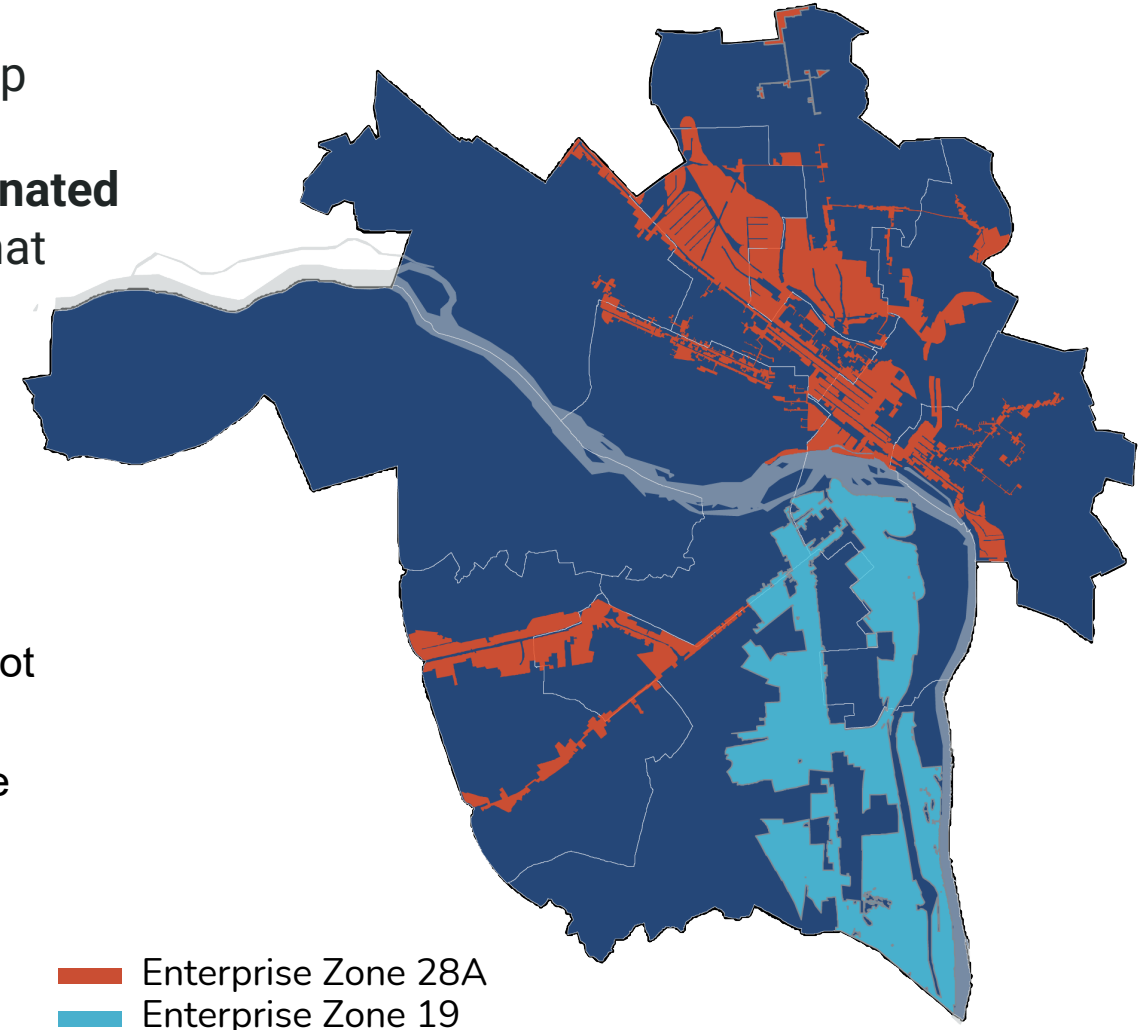


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Enterprise Zone Program

The Virginia Enterprise Zone (EZ) program is a partnership between the Commonwealth and local governments that **encourages job creation and private investment in designated zones** in localities. **Qualified businesses and investors that invest within these zones are eligible for state and local incentives.**

- Richmond has participated in the program since 1993
- Richmond's two zones, 19 and 28A, were approved by the Commonwealth for **five-year extensions in Dec. 2022**
- The Zones and the incentives available within them have not changed for at least 10 years
- Cooperative Agreement to transfer EZ administration to the EDA, to align with the administration of the CARE Program



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Searchable map on richmondeda.com

Incentive Overview

Virginia

		Max
Job Creation Grant	Grants based on the number of new full-time jobs created (benefit is \$500 or \$800 per job based on wage).*	
Real Property Investment Grant	Grants for undertaking eligible commercial, industrial, and mixed-use rehabilitation, expansion, or new construction projects	\$100K or \$200K**

Richmond

Business Relocation Rebate	Reimbursement for costs of relocating a company into an EZ	\$10,000
Machinery & Equipment Rebate	50% rebate on eligible purchases of specialized machinery or equipment	\$5,000
Employment Assistance Grant	Grant based on the number of full-time jobs for new and expanding businesses	\$7,200
Brownfield Assessment Rebate	Reimbursement of costs for Phase 1 and Phase 2 environmental site assessment	\$3,500/ \$7,500
Loan Fee Rebate	Reimbursement for loan fees associated with the purchase of real property	\$1,000
Development Fee Rebate	Reimbursement for permit fees associated with the renovation or construction of commercial facilities	\$3,000
Commercial Real Estate Tax Abatement	10-yr partial real estate tax abatement to incentivize structural improvements to existing commercial and industrial buildings that are at least 20 years old.***	N/A

* Must meet 4-job threshold to qualify. \$500 or \$800 per job (depending on wage) up to 350 jobs. Annual max.

** \$100,000 per facility in a five-consecutive-year period where the total investment is less than \$5M or \$200,000 per facility in a five-consecutive-year period where the total investment is \$5M or more.

*** Benefit based on individual property and value of improvements. Program is also available for commercial properties outside the Enterprise Zone, with a shorter seven-year benefit.



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EZ Program Awards FY 2021-FY 2023

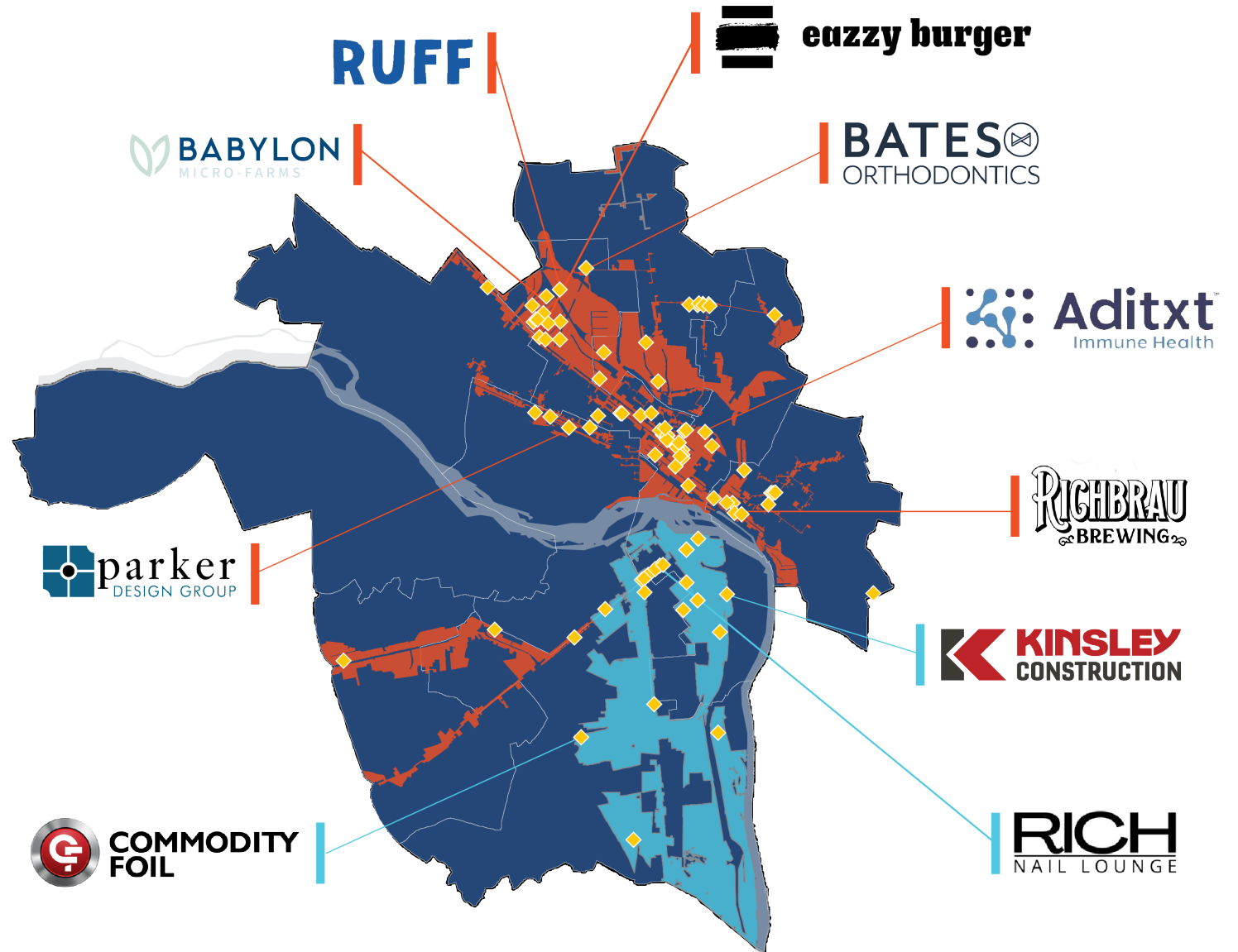
100
COMPANIES
RECEIVED AWARDS

\$575,714
FUNDS AWARDED

- Enterprise Zone 28A
- Enterprise Zone 19
- Companies Awarded



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FY 2024 Focus

Program Review

- Data analysis and interviews
- Best practice and peer research
- Based on findings, proceed with City and State approval processes for any changes

Process Improvement

- Digitize application process to improve user experience and increase efficiency
- Integrate program with CRM system for improved data management and performance reporting

Marketing

- As part of economic development marketing efforts, promote programs on digital and marketing channels
- Attend business, merchant, and community meetings
- In-person visits



Thank You



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