

# COMMON COUNCIL



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*I, Kari J. Van Diest, Deputy Clerk of the Common Council, hereby certify on this 28<sup>th</sup> day of January 2016 that the following Ordinance is a true and exact copy of one and the same adopted by the Common Council of the City of Winchester, assembled in special session on the 26<sup>th</sup> day of January 2016.*

## **AN ORDINANCE TO AMEND SECTION 27-29 OF THE WINCHESTER CITY CODE TO IMPLEMENT CHANGES TO THE CITY OF WINCHESTER'S ENTERPRISE ZONE PROGRAM**

**WHEREAS**, the City of Winchester has a desire to improve the capability of its enterprise zone incentives; and,

**WHEREAS**, the Winchester City Council approved a resolution January 13, 2015 that authorized the City of Winchester's submission of an Enterprise Zone Amendment Application to the Virginia Department of Housing and Community Development; and,

**WHEREAS**, the Virginia Department of Housing and Community Development approved the City of Winchester's Enterprise Zone Amendment Application as of February 18, 2015; and,

**WHEREAS**, Section 27-29 of the Winchester City Code must be amended to implement several of the proposed changes to the Winchester Enterprise Zone Program as supported in the approved City Council Resolution dated January 13, 2015.

**NOW THEREFORE BE IT ORDAINED**, that the adoption of this Ordinance shall implement the proposed amendments to Section 27-29 of the Winchester City Code to reflect the approved changes to the City of Winchester's Enterprise Zone Program as of February 18, 2015.

### **DIVISION 4A. SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE PROPERTY**

#### **SECTION 27-29. ENTERPRISE ZONE REHABILITATION DEFINITIONS.**

For the purpose of this division, the following words and phrases shall have the

meanings, respectively ascribed to them:

- (a) SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE RESIDENTIAL REAL ESTATE shall mean any residential real estate within the North Loudoun Street District of the Enterprise Zone, but outside the boundaries of the Winchester Historic District, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been so improved as to increase the assessed value thereof by no less than forty percent (40%). **For structures that have been enlarged, the qualifying square footage includes the original structure and up to 50% additional square footage.** ~~without increasing the total square footage by more than fifteen percent (15%). For the purposes of this article qualifying residential real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is not less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 60 percent (60%) without increasing the total square footage of the structure by more than fifteen percent (15%).~~ **If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than is larger than one hundred fifty percent (150%), the excess of the square footage of the original structure, the square footage above said additional fifty percent (50%) shall not be entitled to the real estate tax exemption authorized by this Article.** ~~In the event of complete replacement of such structure, the increase in the total square footage shall be no more than one hundred fifty percent (150%). If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said additional fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God.~~ **Applicant formally declines pursuance of this tax incentive should they pursue the Residential Rehabilitation Grant.**
- (b) SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE COMMERCIAL, INDUSTRIAL OR MIXED-USE REAL ESTATE shall mean any commercial, industrial or mixed-use real estate within the Enterprise Zone, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been so improved as to increase the assessed value thereof by no less than sixty percent (60%). **For structures that have been enlarged, the qualifying square footage includes the original structure and up to 50% additional square footage.** ~~increasing the total square footage by more than fifteen percent (15%). Any commercial, industrial or mixed-use property that possesses or will possess not-for-profit enterprises that amount for more than forty percent (40%) of total improvement space is excluded from receiving this exemption. For the purpose of this Article, qualifying commercial or industrial real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is no less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 60 percent (60%)~~ **For properties that underwent complete replacement, the qualifying square footage includes the size of the original structure and up to an additional**

**50% of the structure's original square footage.** Without increasing the total square footage of the structure by more than one hundred fifty percent (150%). In the event of complete replacement of such structure, the increase in the total square footage shall be no more than fifteen percent (15%). **If the total square footage of such rehabilitated, renovated, or replacement structure is larger than one hundred fifty percent (150%) of the square footage of the original structure, the square footage above said additional fifty percent (50%) shall not be entitled to the real estate tax exemption authorized by this Article.** If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than one hundred fifty fifteen percent (150%), the excess square footage above said additional fifteen fifty percent (50%) shall not be entitled to the real estate tax exemption authorized by this Article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God. **Applicant formally declines pursuance of this tax incentive should they pursue the Commercial and Mixed-use Rehabilitation Grant.**

(c) AMOUNT OF EXEMPTION shall mean an amount equal to the increase in assessed value resulting from the rehabilitation **or replacement** of the structure as determined by the assessing officer, and this amount only shall be applicable to assessment, commencing on the first day of January of the year following the rehabilitation **or replacement**. An increase in assessment occurring after the first year of such rehabilitation **or replacement** exemption shall not result in an increase in such exemption.

(d) TAXABLE YEAR shall mean the calendar year from January first through December thirty-first for which such real property tax is imposed or exemption claimed.

(Ord. No. 2014-03, 2-25-14)

**\*\* The amendments to this Ordinance adopted by Common Council on [insert date of adoption of amendments] ("date of amendment") shall be effective as though enacted on February 18, 2015. Persons or entities participating in the program and receiving exemption under this Ordinance prior to the "date of amendment" shall be entitled to proceed as "grandfathered" under the version of this Ordinance immediately preceding the "date of amendment" or at their election in writing to the program administrator, proceed under this revised version.**

#### **SECTION 27-29.1 ENTERPRISE ZONE EXEMPTIONS DECLARED.**

The purpose of this division shall be to provide real estate tax exemptions for substantially rehabilitated residential, commercial, industrial or mixed-use real estate for a period of ~~twelve~~ten (10) years, commencing on January first of the year following completion of such rehabilitation. (Ord. No. 2014-03, 2-25-14)

**\*\* The amendments to this Ordinance adopted by Common Council on [insert**

**date of adoption of amendments] ("date of amendment") shall be effective as though enacted on February 18, 2015. Persons or entities participating in the program and receiving exemption under this Ordinance prior to the "date of amendment" shall be entitled to proceed as "grandfathered" under the version of this Ordinance immediately preceding the "date of amendment" or at their election in writing to the program administrator, proceed under this revised version.**

**State Law Reference**—Code of Virginia, §§**59.1-542**; 58.1-3220, *et seq.*

**Ordinance No. 2016-4**

**ADOPTED** by the Common Council of the City of Winchester on the 26<sup>th</sup> of January 2016.

***Witness my hand and the seal of the City of Winchester, Virginia.***

*Kari J. Van Diest, CMC  
Deputy Clerk of the Common Council*