

August 5, 2010

To the Honorable Mayor, Vice-Mayor,
and City Council Members

Re: AN ORDINANCE AMENDING CHAPTER 2 OF THE CHESAPEAKE CITY CODE, ENTITLED "ADMINISTRATION," ARTICLE VIII THEREOF, TO REPEAL EXPIRED PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE; TO MODIFY PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE PERTAINING TO ONGOING BENEFITS FOR PREVIOUSLY QUALIFIED BUSINESSES; AND TO ESTABLISH A TECHNOLOGY ZONE IN THE SOUTH NORFOLK BOROUGH TO PROVIDE TAX AND FEE REDUCTIONS AND REIMBURSEMENTS FOR QUALIFIED BUSINESSES LOCATED IN THE DESIGNATED TECHNOLOGY ZONE AREA

Mayor Krasnoff requested that consideration of this ordinance, which will create a technology zone in the South Norfolk Borough, be considered at the August 10, 2010, City Council meeting.

Adoption of such zones are authorized under the state code, and generally applies regulatory flexibility and tax incentives for qualifying businesses which are located in the zone.

The attached memorandum from Deputy City Attorney Jan Proctor, dated August 5, 2010, outlines in detail the parameters of this ordinance.

Very truly yours,




Ronald S. Hallman
City Attorney

RSH:fmh
enclosures

cc: William E. Harrell, City Manager
Anna M. D'Antonio, Assistant to the City Attorney
Steven Wright, Economic Development Director

MEMORANDUM

TO: Ronald S. Hallman, City Attorney

FROM: Jan L. Proctor, Deputy City Attorney 

RE: AN ORDINANCE AMENDING CHAPTER 2 OF THE CHESAPEAKE CITY CODE, ENTITLED "ADMINISTRATION," ARTICLE VIII THEREOF, TO REPEAL EXPIRED PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE; TO MODIFY PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE PERTAINING TO ONGOING BENEFITS FOR PREVIOUSLY QUALIFIED BUSINESSES; AND TO ESTABLISH A TECHNOLOGY ZONE IN THE SOUTH NORFOLK BOROUGH TO PROVIDE TAX AND FEE REDUCTIONS AND REIMBURSEMENTS FOR QUALIFIED BUSINESSES LOCATED IN THE DESIGNATED TECHNOLOGY ZONE AREA

DATE: August 5, 2010

Please find enclosed a draft ordinance to amend Article VIII of Chapter 2 of the Chesapeake City Code to repeal expired provisions of the urban enterprise zone ordinance, to provide for continuation of urban enterprise zone benefits for previously qualified businesses and to establish a technology zone in the South Norfolk Borough. The designation of a technology zone in South Norfolk was requested by Mayor Krasnoff for the August 10, 2010 City Council meeting.

Technology zones are authorized by Section 58.1-3850 of the Code of Virginia, which gives localities broad powers in creating one or more technology zones and providing regulatory flexibility and tax incentives to businesses locating in the zones. Tax incentives may be provided for up to ten (10) years and may include the reduction of user fees, permit fees and gross receipts tax. The extent and duration of the tax incentive must conform to the requirements of the United States and Virginia Constitutions.

The enabling legislation also provides for regulatory flexibility within a designated technology zone, such as special zoning districts, permit process reform, exemptions from regulatory ordinances and other incentives that may bind the locality for up to ten (10) years.

The draft ordinance designates the South Norfolk Borough as a technology zone. This large area may be reduced by City Council to concentrate on those portions of the Borough most suitable for commercial and industrial development. The ordinance

currently includes only tax and fee reduction incentives. The addition of regulatory flexibility incentives will require additional studies relating to land use impacts.

The draft ordinance requires that a new or existing business located in the technology zone may qualify for incentives if it meets the following broad criteria:

Qualified Technology Business:

- A business which:
 - i) derives a substantial portion of its gross receipts from technological research and design services or from the sale, leasing, licensing, or servicing of technological products such as computers, hardware, software, telecommunication devices, electronic information devices and video, audio, electronic products; or
 - ii) uses advanced and innovative technological devices to conduct design, manufacture, sales, leasing, and service businesses, provided that at least fifty percent (50%) of total capital outlay is invested in the lease or purchase of technological products to be located in the technology zone and employed for purposes other than internal administrative operations.
- Employs a minimum of five (5) employees with average wages equal to or greater than two and one-half times the federal minimum wage as calculated without assignment of value to benefits.
- Invests at least one hundred thousand dollars (\$100,000.00) in real estate, improvements and equipment located in the technology zone. The investment may be established by the value of real or personal property owned by the business, or the value of a lease of real property or personal property, used in the operation of the Qualified Technology Business.

In addition, certain property owners and tenants may qualify for technology zone benefits if the following broad criteria are met:

Qualified Zone Resident:

- Owner or tenant of real property located in a technology zone which expands or rehabilitates such property to facilitate the operation of a Qualified Technology Business, as defined above.
- A site plan or building permit application has been submitted for improvement of such property for use by a Qualified Technology Business.

The City Manager is responsible for certifying that a Qualified Technology Business or Qualified Zone Resident has met the requirements of the technology zone ordinance. Once a business or resident is qualified, the following incentives apply to new

construction and expansion or rehabilitation of existing real estate improvements, provided that at least forty percent (40%) of the total cost of the construction is expended on facilities in the technology zone which will house or directly accommodate a qualified technology business:

1. Exemption from building code fees.
2. Exemption from zoning fees, including fees for land use applications, building permits and other fees imposed under Section 20-102 of the Chesapeake Zoning Ordinance.
3. Exemption from fees imposed under the Subdivision Ordinance, including fees for subdivision plat and site plan review.
4. Reimbursement of utility connection fees, provided the fees are paid to Public Utilities prior to reimbursement.

The forgoing incentives are available for the first ten (10) years of the life of the technology zone. Additionally, Qualified Technology Businesses also shall be entitled to the reduction of business license taxes and fees for a five year period. The percentage of reduction is 80% in the first year of operation, 60% in the second year of operation, 40% in the third year of operation, and 20% in the fourth and fifth years of operation. Reduction of the total amount of tax is granted only if more than one-half of the gross receipts are earned from qualified business activities. If one-half or less of the gross receipts are derived from qualified business activities, the reduction shall be applied only to the amount of tax attributable to the gross receipts earned from the qualified business activities.

The draft ordinance also repeals most of the City Code provisions relating to the former South Norfolk Urban Enterprise Zone, which expired in 2006. New sections are added to ensure that any business that qualified for an incentive under the Urban Enterprise Zone, continues to receive such benefits for as long as originally promised. Only two incentives, the partial real estate tax exemption for rehabilitated real estate and the ten year business license tax reduction, could remain in effect.

It should be noted that while the City has not qualified for a renewal of a state designated urban enterprise zone, the City will be authorized to designate a limited local technology zone upon establishment of the technology zone. Section 58.1-3850 of the Code of Virginia provides that localities may designate a technology zone as a local enterprise zone. This will allow the City to establish a local enterprise zone development taxation program. Such a program would essentially create a tax increment financing fund to be used for government services that promote private investment in the local enterprise zone, funding of economic development authorities and grants to private organization that work to secure and promote economic development. The funds are derived from increases in the assessed value of real estate or machinery and tools located in the local enterprise zone. This option is not included in the draft ordinance, most

notably because increments in real estate taxes are currently deposited in the South Norfolk Revitalization Tax Increment Financing Fund. However, a local enterprise zone development taxation fund could be established for machinery and tools tax in the future.

Please advise if I may be of further assistance.

Enclosure

cc: William E. Harrell
Steven Wright

AN ORDINANCE AMENDING CHAPTER 2 OF THE CHESAPEAKE CITY CODE, ENTITLED “ADMINISTRATION,” ARTICLE VIII THEREOF, TO REPEAL EXPIRED PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE; TO MODIFY PROVISIONS OF THE URBAN ENTERPRISE ZONE ORDINANCE PERTAINING TO ONGOING BENEFITS FOR PREVIOUSLY QUALIFIED BUSINESSES; AND TO ESTABLISH A TECHNOLOGY ZONE IN THE SOUTH NORFOLK BOROUGH TO PROVIDE TAX AND FEE REDUCTIONS AND REIMBURSEMENTS FOR QUALIFIED BUSINESSES LOCATED IN THE DESIGNATED TECHNOLOGY ZONE AREA.

BE IT ORDAINED by the Council of the City of Chesapeake, Virginia, that Chapter 2 of the Chesapeake City Code, entitled “Administration,” Article VIII thereof, be and is hereby amended and reordained as follows:

CHAPTER 2. ADMINISTRATION.

ARTICLE VIII. ~~URBAN ENTERPRISE ZONE~~ SPECIAL INCENTIVE ZONES.

DIVISION 1. URBAN ENTERPRISE ZONE.

Sec. 2-666. ~~Definitions.~~ Expiration of urban enterprise zone.

~~The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:~~

~~*Business* means any business lawfully operated within the boundaries of the urban enterprise zone, including without limitation, qualified businesses as defined in this section.~~

~~*Qualified business* means any business which has been designated by the state department of housing and community development as a qualified business firm in accordance with the provisions of Code of Virginia, § 59.1-270 et seq.~~

~~*Zone* means an urban enterprise zone designated by this article.~~

The City of Chesapeake adopted an urban enterprise zone under the authority of state law on April 22, 1986. The urban enterprise zone, as expanded, consisted of an area located in the northeastern section of the City along the corridors of Campostella Road, Atlantic Avenue, and Bainbridge Boulevard, identified on the United States Census Tract Maps as tracts 201, 202, 203, 204, 205.02, and 207. The urban enterprise zone expired on January 1, 2006. However, the termination did not divest any qualified business firm or real estate owner of any benefits for any year in which it had qualified prior to the expiration of the urban enterprise zone. Those benefits that may remain in effect as of the date of this amendment include only business license tax reduction and partial real estate tax exemptions, as described in this division.

Sec. 2-667. ~~Designation.~~ Business license tax reduction.

~~There is designated an area located in the northeastern section of the city along the corridors of Campostella Road, Atlantic Avenue, and Bainbridge Boulevard, identified on the United States Census Tract Maps as tracts 201, 202, 203, 204, 205.02, and 207, Block 2 to be known as the urban enterprise zone.~~

Business firms that were previously qualified to receive up to a 50% reduction of business license tax shall continue to receive such reduction for a ten year period of time measured from the date of qualification for urban enterprise zone benefits. In no event shall the reduction continue beyond this ten year period, nor shall it exceed more than 50% of the business license tax otherwise chargeable against the qualified business firm. The business license tax reduction shall terminate prior to the expiration of the ten year period in the event the qualified business firm is no longer located within the boundaries of the former urban enterprise zone

Sec. 2-668. ~~Application of article.~~ Partial tax exemption for rehabilitated residential, commercial or industrial real estate.

~~The provisions of this article shall apply to the administration of the urban enterprise zone incentives, notwithstanding any other provisions of this Code to the contrary.~~

(a) *Exemption for certain qualified commercial or industrial real estate located in the former urban enterprise zone.* Property owners that were previously qualified to receive a partial real estate tax exemption for commercial or industrial property located within the former urban enterprise zone shall continue to receive the approved exemption. The previously approved amount of the exemption as determined at the time of approval shall be applicable to assessments or reassessments for a 15 year period commencing on January 1 of the year following the completion of the rehabilitation, if the rehabilitation is completed in July,

August, September, October, November or December, and commencing on July 1 of the year of completion, if the rehabilitation is completed in January, February, March, April, May or June.

(b) *Exemption for certain qualified residential real estate located in the former urban enterprise zone.* Property owners that were previously qualified to receive a partial real estate tax exemption for residential real estate located in the former urban enterprise zone shall continue to receive the approved exemption. The previously approved amount of the exemption shall be applicable to subsequent assessments or reassessments for a period of 15 years commencing on January 1 of the year following the completion of the rehabilitation, if the rehabilitation is completed in July, August, September, October, November or December, and commencing on July 1 of the year of completion, if the rehabilitation is completed in January, February, March, April, May or June.

(c) *Reduction of value of property.* Nothing in this section shall be construed to permit the City assessor to list upon the land book any reduced value due to the exemption provided in this subsection.

DIVISION 2. TECHNOLOGY ZONES.

Sec. 2-669. ~~Local incentives~~ Purpose and intent.

(a) *All businesses.* ~~Local incentives for all businesses lawfully operating in the urban enterprise zone shall be as follows:~~

(1) ~~*Exemption of utility connection fees.*~~ All businesses shall be exempt from paying the water and sewer connection fees required in connecting its place of business located within the zone to city water or sewer facilities. This exemption shall be available for the life of the zone. A business shall be entitled to apply for reimbursement of any connection fee exempted under this subsection paid to the city within the 18 month period immediately preceding qualification with the city.

(2) ~~*Exemption of permit fees.*~~ All businesses shall be exempt from paying the requisite fee for obtaining a building, plumbing, electrical, mechanical, erosion and sediment control, sign, driveway connection, special use or rezoning permit required to construct, repair or otherwise improve its place of business located within the zone. This exemption shall be available for the life of the zone. A business shall be entitled to apply for reimbursement of any permit fees exempted under this subsection paid to the city within the 18 month period immediately preceding qualification with the city.

(b) ~~*Qualified businesses.*~~ In addition to the incentives listed above for all businesses, qualified businesses in the urban enterprise zone shall also include the following:

- (1) ~~*Reduction of business license tax.*~~ No qualified business shall be required to pay more than 50 percent of its applicable business license tax. This reduction shall be available to any qualified business for a ten-year period of time commencing 18 months prior to qualification with the city.
- (2) ~~*Exemption of local sales tax.*~~ All qualified businesses shall be exempted from the local sales tax imposed by section 30-327 on all items purchased or leased by the qualified business for the conduct of its business located within the zone. This exemption shall be available for the calendar years 1991 through 2006, and may be granted for the 18-month period immediately preceding qualification with the city.
- (c) ~~*Tax exemption for rehabilitated residential, commercial or industrial real estate.*~~
 - (i) ~~*Exemption for certain commercial or industrial real estate.*~~

For the purpose of this subsection, any rehabilitated commercial or industrial real estate located within the zone shall be deemed to have been substantially rehabilitated when a structure which is no less than 15 years of age has been improved or replaced in a manner which increases the assessed value of the real estate. The complete replacement of a commercial or industrial structure shall not exceed the total square footage of the replaced structure by more than 110-

~~percent. A real estate tax exemption is authorized for rehabilitated commercial or industrial real estate in an amount equal to the greater of 1) the increase in the assessed value resulting from the rehabilitation of the commercial or industrial real estate as determined by the city assessor, or 2) fifty percent of the cost of the rehabilitation as determined by the director of the department of economic development or designee, on the basis of invoices and other documentation provided by the landowner. The amount of the exemption shall be applicable to subsequent assessments or reassessments for the period of 15 years commencing on January 1 of the year following the completion of the rehabilitation, if the rehabilitation is completed in July, August, September, October, November or December, and beginning on July 1 of the year of completion, if the rehabilitation is completed in January, February, March, April, May or June. The owner of such rehabilitated commercial or industrial real estate shall be required to file an application requesting the exemption provided by this subsection with the director of the department of economic development not later than 18 months after completion of the rehabilitation, provided that no exemption shall be given unless all required building permits for the rehabilitation have been issued or until completion of the~~

~~rehabilitation has been certified by a final city inspection report or by issuance of a certificate of occupancy for the improved structure. All applications shall be accompanied by appropriate documentation and a \$50.00 processing fee.~~

- (ii) ~~*Exemption for certain residential real estate.* For the purpose of this subsection, any residential real estate located within the zone shall be deemed to have been substantially rehabilitated when a structure which is no less than 15 years of age has been improved or replaced in a manner which increases the assessed value of the real estate. If such residential structure is multifamily residential structure consisting of five or more units, the total square footage of such structure may be increased not more than 30 percent. A real estate tax exemption is authorized for such qualified property in an amount equal to the greater of 1) the increase in the assessed value resulting from the rehabilitation of the residential real estate as determined by the city assessor; or 2) fifty percent of the cost of the rehabilitation, as determined by the director of the department of economic development, or designee, on the basis of invoices and other documentation provided by the property owner. The amount of the exemption shall be applicable to subsequent assessments or reassessments for a period of 15 years commencing on January 1 of~~

~~the year following the completion of the rehabilitation, if the rehabilitation is completed in July, August, September, October, November or December, and beginning on July 1 of the year of completion, if the rehabilitation is completed in January, February, March, April, May or June. The owner of such rehabilitated residential real estate shall be required to file an application requesting the exemption provided by this subsection with the director of the department of economic development, not later than 18 months after completion of the rehabilitation, provided that no exemption shall be unless all required building permits for the rehabilitation have been issued or until completion of the rehabilitation has been certified by a final city inspection report or issuance of a certificate of occupancy for the improved structure. All applications shall be accompanied by appropriate documentation and a \$50.00 processing fee.~~

- ~~(iii) *Reduction of value of property.* Nothing in this subsection shall be construed to permit the city assessor to list upon the land book any reduced value due to the exemption provided in this subsection.~~
- ~~(iv) *Effect on historic landmarks.* Where the rehabilitation is achieved through demolition or replacement of an existing structure, the exemption provided in this subsection shall not apply when any~~

~~structure demolished is a registered state landmark or is determined by the state historic landmarks commission to contribute to the significance of a registered historic district.~~

~~(d) *Responsibility of firm to apply.* It shall be the responsibility of the qualified business firm or the real estate owner to make application for the local incentives authorized in this section. Except as otherwise noted herein, all applications for qualification, exemption or reimbursement shall be made to the director of economic development or designee. The director shall be responsible for approving applications and for coordinating reimbursements and exemptions with the city manager and appropriate city departments and officials.~~

~~(e) *Termination.* Notwithstanding anything to the contrary herein, the local urban enterprise incentives established in this section shall terminate on January 1, 2006, or at such time that the city council adopts an ordinance terminating the zone. However, any termination shall not divest any qualified business firm or real estate owner of any benefits under this article for any year in which it had qualified prior to the termination of the zone.~~

The City Council finds that the establishment of technology zones with incentives for economic growth, as authorized by Section 58.1-3850 of the Code of Virginia, will foster the development, maintenance and expansion of commercial and industrial businesses engaged in technological research and design and those using technologically advanced products to the benefit of the public health, safety

welfare and convenience through the enhancement of public revenues and the creation of employment opportunities.

Section 2-670. Administration.

This division shall be administered and enforced by the City Manager or designee. The City Manager may publish procedures for obtaining the benefits created by this division and shall be responsible for determining whether a business is a qualified technology business or a qualified zone resident. Where necessary, the City Manager shall also interpret the extent and boundaries of a technology zone in accordance with the descriptions herein.

Section 2-671. Definitions.

For purposes of this division, the following words and phrases shall have the meanings subscribed below, unless clearly indicated to the contrary:

(a) *Qualified Technology Business.* The term “qualified technology business” shall mean a business located in a technology zone which derives a substantial portion of its gross receipts from technological research and design services or from the sale, leasing, licensing or servicing of technological products, such as computers, hardware, software, telecommunication devices, electronic information devices, and video/audio electronic products. The term shall also mean a business located in the technology zone which uses advanced and innovative technological devices to conduct design, manufacture, sales, leasing and service businesses, provided that such business has invested at least fifty percent (50%) of

its total capital outlay in the lease or purchase of technological products to be located in the technology zone, and further provided that such products are used in the technology zone for purposes other than internal administrative operations.

A qualified technology business shall have a minimum of five (5) employees with average wages equal to or greater than two and one-half times the federal minimum wage as calculated without assignment of value to benefits. In addition, a qualified technology business shall invest at least one hundred thousand dollars (\$100,000.00) in real estate, improvements and equipment located in the technology zone. The investment may be established by the value of real or personal property owned by the business, or the value of a lease of real or personal property, used in the operation of the qualified technology business. All businesses, whether newly located or existing within the boundaries of a technology zone, which qualify under the criteria set out above, may be deemed a qualified technology business. Qualification shall be granted and certified in writing by the City Manager or designee.

(b) *Qualified Zone Resident.* The term “qualified zone resident” shall mean an owner or tenant of real property which expands or rehabilitates real property located in the technology zone for purposes of facilitating the operation of a qualified technology business. The term “property” shall mean a parcel, lot or unit for which a site plan or building permit application has been submitted for

approval. Qualification of a zone resident shall be granted and certified in writing by the City Manager or designee.

Sec. 2-672. Boundaries of technology zones.

(a) The South Norfolk Borough is hereby designated as a technology zone. This technology zone is further identified by reference to the map entitled "Chesapeake Technology Zone," and dated August, 2010, which map is hereby incorporated into and made a part of this ordinance.

(b) Qualified technology businesses and qualified zone residents located in the areas listed above shall be entitled to the incentives offered in this division.

(c) City Council may, in its discretion, create new or expand existing technology zones and may also remove properties from technology zones upon findings that the incentives provided herein will, or in the case of removal, will not, enhance the establishment and growth of technology businesses within the area under consideration. Such additions and removals shall be by amendment to this Article and shall be reflected by revision of the "Chesapeake Technology Zones" map.

Sec. 2-673. Business license tax reduction.

(a) All qualified technology businesses shall be entitled to a reduction of business, professional and occupational license taxes and fees imposed by Chapter 18 of the Chesapeake City Code as follows:

80% reduction in the first year of operation;

60% reduction in the second year of operation;

40% reduction in the third year of operation;

20% reduction in the fourth and fifth years of operation.

The reduction shall commence in the calendar year in which the business is certified as a qualified technology business, provided that the certification occurs prior to March 1 of such calendar year. Otherwise, the reduction shall commence in the calendar year succeeding the year in which the business is certified as a qualified technology business.

(b) The business license tax and fee reduction shall apply for a period of five calendar years or until such time that the business no longer operates as a qualified technology business, whichever is the first to occur. Once a business has qualified as a technology business, it shall not be entitled to an extended period of business license tax and fee reduction by reason of expansion of investment or increase in employees. If a business ceases to be a qualified technology business during a year in which the reduction applies, supplemental business license taxes and fees shall be collected in full, prorated from the date the business ceased to be qualified to the end of the calendar year.

(c) The business, the business license tax and fees assessed on all gross receipts shall be subject to the graduated reductions in subsection (a) above only those tax years in which more than one-half of the gross receipts earned by the qualified technology business were derived from one or more qualifying business

activities described in Section 2-671 (a) above. If one-half or less of the gross receipts of a qualified technology business are derived from qualifying activities, the graduated reductions shall be applied only to the amount of tax attributable to the gross receipts earned from qualifying business activities.

(d) In order to qualify for a business license tax and fee reduction under this division, the qualified technology business shall file annual business license applications with the Commissioner of the Revenue and shall provide the Commissioner with certification from the City Manager that the business is a qualified technology business. The amount of gross receipts to be earned from qualifying technology business activities shall be set out in the license application and shall be subject to verification by the Commissioner of the Revenue by audit or inspection of documents. The qualified technology business shall also provide the Commissioner with proof that no local taxes or fees are outstanding at the time of application for the business license and reduction. Failure of the qualified technology business to pay in full by the due date any taxes imposed by the City shall result in the denial or revocation of the business license tax or fee reduction for the remainder of the current calendar year. All business license tax reductions are subject to adjustment by the Commissioner of the Revenue based on actual gross receipts earned from qualifying technology business activities. Any additional business license tax assessed due to such adjustments, or due to

revocation of the tax reduction, shall be subject to collection and delinquency provisions set out in Chapter 18 of the City Code.

Sec. 2-674. Fee Exemptions and Reimbursements.

The fee exemptions and reimbursements provided below shall apply to qualified technology businesses and qualified zone residents, for new construction and for expansions, alterations and rehabilitation, provided that at least forty percent (40%) of the total cost of the construction is expended on facilities in the technology zone which will house or directly accommodate a qualified technology business.

(a) Fees imposed under the Uniform Statewide Building Code - Applications for exemption from all building code fees shall be made to the Director of Development and Permits along with certification that the applicant is a qualified technology business or a qualified zone resident and evidence that the proposed construction will meet the criteria set out above for fee exemptions.

(b) Fees imposed under the Chesapeake Zoning Ordinance- Applications for exemption from fees imposed for land use applications under Section 20-102 of the Chesapeake Zoning Ordinance shall be made to the Director of Planning. Applications for exemption from building permit and other fees related to construction activities imposed under Section 20-102 of the Chesapeake Zoning Ordinance shall be made to the Director of Development and Permits. Such applications shall include certification that the applicant is a qualified technology

business or a qualified zone resident and evidence that the proposed land use and/or construction activities will meet the criteria set out above for fee exemptions.

(c) Fees imposed under the Subdivision Ordinance - Applications for exemption from fees imposed for subdivision and site plan review under the Subdivision Ordinance shall be made to the Director of Planning or the Director of Development and Permits, as indicated by Section 70-191 of the City Code. Such applications shall include certification that the applicant is a qualified technology business or a qualified zone resident and evidence that the proposed land use and/or construction activities will meet the criteria set out above for fee exemptions.

(d) Reimbursement of Water and Sewer Connection Fees- Application for reimbursement of water and sewer connection fees imposed under Section 78-86 of the City Code shall be made to the Director of Economic Development. Applications shall include certification that the applicant is a qualified technology business or a qualified zone resident and evidence that the utility connections and related construction will meet the criteria set out above for fee reimbursements. All water and sewer connection fees must be paid by the qualified technology business or qualified zone resident to the Director of Public Utilities prior to receiving reimbursement from the Director of Economic Development.

(e) All fee exemptions and reimbursements provided under this division shall be effective for a period of ten (10) years from the date the technology zone in which the qualified business is located is created.

Sec. 2-675. Nonwaiver.

Unless stated otherwise herein, nothing in this division shall be construed as waiving the right of the City of Chesapeake to enforce its ordinances, regulations or policies or to collect any taxes, fees, fines, penalties or interest imposed by law on a qualified technology business or qualified zone resident or upon real or personal property owned or leased by a qualified technology business or qualified zone resident.

Sec. 2-676. Restrictions.

No qualified technology business or qualified zone resident may apply for or receive a tax or fee exemption under this division on the basis of a building permit issued or construction commenced prior to the establishment of the technology zone in which the property lies.

ADOPTED by the Council of the City of Chesapeake, Virginia,
this ____ day of _____, 2010.

APPROVED:

Mayor

ATTEST:

Clerk of the Council



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