



# **Orange County Economic Development Incentive Policy**

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## **Background**

Orange County Economic Development has made great strides in developing a business-friendly environment to attract high value jobs and quality commercial investment to diversify the local tax base. The Economic Development Authority's (EDA) adoption of Orange County's first comprehensive strategic plan, along with the departments inclusion in the Germanna Wilderness Area Plan (GWAP) planning process, are testimonials to the department's accomplishments. Ensuring future progress, Orange County Economic Development offers a suite of incentives available for commercial, retail, and industrial investment.

An approved list of incentives for Orange County Economic Development office will streamline future investments from business investors and enhance the marketing potential for Orange County as a place to do business.

The definition of economic development incentives is:

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

## **Incentives Offered Through the Commonwealth of Virginia**

Virginia's incentive programs reduce the costs of opening or expanding a business facility, and we work enthusiastically to assist employers who choose to put down roots and grow in the Commonwealth. We view incentives as an investment in Virginia's economic future and a business opportunity for both the Commonwealth and the company. For inquiries or for more information regarding Virginia incentives, please contact the Orange County Economic Development Office.

Incentives offered through the Commonwealth include:

### **Discretionary Incentives**

The Commonwealth of Virginia offers an array of discretionary incentives for competitive projects evaluating a Virginia location, providing financial inducements that make good fiscal sense for all parties. Performance-based incentives target the needs of companies as well as the development plans of localities and the Commonwealth.

### **Financial Assistance**

A variety of financing options are available to companies and localities through state-level partners. These programs can meet many different project sizes and financing needs.

### **Infrastructure Assistance**

The Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT) offer several programs to assist localities in providing adequate infrastructure access for industrial and commercial projects. These programs are designed to assist Virginia localities in attracting companies that will create jobs and generate tax revenues within the locality.

### **Recruitment & Training Incentives**

Virginia offers financial assistance and training to companies that seek to attract and retain qualified employees in the Commonwealth.

### **Regional & Local Assistance**

A number of targeted incentive programs exist in designated regions of the Commonwealth and within individual localities to attract businesses and assist in their growth. These programs can be statutory or discretionary and may offer additional financing options in some areas of Virginia.

### **Tax Incentives**

Virginia offers stable, low-tax costs for companies, including the benefits of no franchise or net-worth tax, a modest sales tax with a broad range of exemptions, and a 6% corporate income tax rate, which has not changed since 1972. Aiding the stable tax environment in the Commonwealth is a toolbox of credits and exemptions that companies can claim on taxes ranging from the sales and use tax to the corporate income tax.

Source: [www.vedp.org/incentives](http://www.vedp.org/incentives)

## Orange County Economic Development Incentives

To complement and further enhance the opportunity of investment in Orange County, the Orange County Economic Development Authority offers the following incentives to entrepreneurs, existing businesses, or businesses locating new operations in Orange County. These incentives may be awarded to certain high value companies who qualify by meeting the target industries of the Economic Development Strategic Plan, promise high growth and/or fill a service gap in the local economy. These incentives are performance based which can be utilized in collaboration with the Commonwealth of Virginia incentive programs; and are subject to and at the discretion of the EDA, are funded on a first come first served basis, and may be modified on a case by case basis.

**Real Estate Improvement Tax Grant** - A grant paid in arrears on assessed value of improvements. The grant may be awarded annually for up to three years based on the real estate tax paid for the improvements arising from the business investment made. Qualifying rehabilitated structures must have a new assessed value increase of no less than 20%. Qualifying real estate must be industrial, commercial, or mixed-use..

**Manufacturers Machinery & Tool's Tax Grant** - High value qualifying manufacturers may receive a tax grant paid in arrears for up to three years based on the machinery and tools tax paid for qualifying new or used specialized machinery or equipment in value of no less than \$50,000.

**Service Industry Business Personal Property Tax Grant** - High value qualifying professional service companies may receive a tax grant paid in arrears for up to three years based on business personal property tax paid for qualifying new or used business personal property in value of no less than \$50,000.

**Retail Sales Tax Grant** – A grant paid in arrears for up to three years based on the local option sales tax derived from annual sales of a qualifying business.

Criteria to be eligible includes:

- Annual sales of no less than \$5,000,000 per location;
- Located on a “Planned Development – Business” or “Planned Development – Mixed Use” zoned parcel as part of the Germanna Wilderness Area Plan;
- Classified as “Retail Trade” (NAICS 44-45).

Applications for businesses that do not meet the minimum eligibility criteria will be considered on a case-by-case basis.

**Accommodations Tax Grant** – A grant paid in arrears for up to three years based on the local option sales tax and/or Transient Occupancy Tax derived from annual sales of a qualifying business.

Criteria to be eligible includes:

- Annual sales of no less than \$1,000,000 per location;
- Located on a “Planned Development – Business” or “Planned Development – Mixed Use” zoned parcel as part of the Germanna Wilderness Area Plan;
- Classified as “Accommodations and Food Services” (NAICS 72).

Applications for businesses that do not meet the minimum eligibility criteria will be considered on a case-by-case basis.

**Discounted Pricing on County Owned Real Property** - Qualifying commercial and industrial projects may qualify for discounted County owned land and buildings.

**Encourage Diversified Retail**- Designed to attract eclectic restaurants, retailers, and other visitor/recreation services. Qualifying companies can receive incentives valued at no more than \$2,000. Reimbursement options will be determined on a case-by-case basis depending on the needs of the business.

**Fast-Track Plan Review & Permit Fee Waivers** - Building and Planning officials will expedite the internal review process of plans for turnaround in approximately seven (7) business days (dependent on completion of application and complexity of type and use). Qualifying projects must create five new jobs and have investment of \$500,000 in new construction to waive and/or grant development fees. (New construction does not include costs associated with architectural design or engineering services).

**Advance Start-ups** - Designed to attract creative class talent, support local entrepreneurs, and encourage existing home-based businesses to locate into commercial space. Qualifying companies may access incentives valued at no more than \$3,000. Reimbursement options will be determined on a case-by-case basis depending on the needs of the business.

**Temporary Office Space** - Designed to assist new companies locating to the community, Economic Development staff will attempt to provide free temporary office space for an administrative staff up to three (3) persons during construction up fit for a maximum of six (6) months for projects approved by the EDA.

**Red Carpet Roll Out** - Qualifying high value businesses locating in Orange County will receive one year of membership to the Orange County Chamber of Commerce along with a welcome package of complimentary or discounted services from various local organizations, businesses and community events. The welcome package provides one year of complimentary or discounted pricing to local workshops and festivals; including small business development center classes, safety seminars/assessments from local police/fire/ems, chamber programs and Orange Downtown Alliance, Gordonsville & Montpelier festivals, etc.

**Real Estate Development Cost Grant** - Qualifying projects may receive grants up to the lesser of 33% or \$20,000 for real estate development costs. Qualifying costs are: construction material for building renovation or new construction; demolition of existing structures; storm water fees; water and sewer connection fees; and paving and sealing of parking lots.

**Significant Investment Incentive** - Significantly larger economic development projects measured by capital investment, job creation, or some combination thereof, may be eligible for enhanced or expanded incentives.