




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 in 2016, along with the department's 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

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 are contingent upon Board of Supervisors funding, 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 Entrepreneurship- Designed to attract eclectic restaurants, retailers, other visitor/recreation services, creative class talent, support local entrepreneurs, and encourage existing home-based businesses to locate into commercial space. Qualifying companies can receive an incentive valued at no more than \$2,000. This incentive is offered in the form of reimbursement only, considered on a case-by-case basis depending on the needs of the business, and evaluated using a return-on-investment formula

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.

Revolving Loan Fund (RLF) - The Orange County County Revolving Loan Fund (RLF) is a flexible source of supplemental financing for businesses expanding or locating to Orange County. This fund was created to assist businesses respond to impacts from COVID-19, and was funded using American Rescue Plan Act monies allocated to Orange County. Community Investment Collaborative (CIC) administers the Fund and only Orange County businesses are eligible to receive loans from the fund. Eligible uses for loan proceeds include operating capital, land or building acquisition, new construction, property rehabilitation or improvements, the purchase of equipment, supplies and material, and inventory for resale. Through a subsidy paid by Orange County, a special interest rate will be available to businesses approved for financing. Full program guidelines can be found online at <https://www.thinkorangeva.com/why-orange/financing>.

Orange County Tourism Cooperative Marketing Grant Program – Qualifying tourism related industry businesses may receive a matching 1:1 reimbursement grant, up to \$5,000, to support tourism marketing efforts. Full program guidelines can be found online at <https://www.thinkorangeva.com/why-orange/incentives>.