

## ARTICLE V. - TOURISM DEVELOPMENT ZONES

## Sec. 22-201. - Definitions.

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

*Business* means any corporation, partnership, electing small business, corporation, limited-liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia.

The term "business" does not include organizations that are exempt from state income tax on all income except unrelated business taxable income as defined in the Internal Revenue Code, Section 512; nor does it include homeowner associations as defined in the Internal Revenue Code, Section 528.

*Capital investments* means moneys used by a tourism business to purchase fixed assets and not moneys used for day-to-day operating expenses.

*Existing tourism business* means a tourism business that was actively engaged in the conduct of trade or business in the city prior to an area being designated as a tourism development zone pursuant to this article.

*Internal Revenue Code* means the Internal Revenue Code of 1986, as amended, Title 26 of the United States Code.

*New tourism business* means a tourism business not already existing within the city prior to an area being designated as a tourism development zone pursuant to this article.

*Qualified tourism business* means a tourism business that has met the qualifications set forth below and continues to meet such qualifications as required by this article.

*Tourism business* means a business whose primary purpose is to establish a desirable destination to attract tourists from outside of the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel-related revenue.

*Tourism development zone* means a specific geographic area or areas created pursuant to Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended, to foster the development and expansion of tourism businesses in the city.

*Tourism zone program qualification application* means an application available from the Waynesboro Economic Development office to qualify to receive tourism development zone incentives established by this article.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-202. - Establishment of tourism development zones.

Tourism development zones are hereby established in the city in accordance with Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended. There are three zones established and are named as follows: Downtown, East Main and Interstate.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-203. - Boundaries.

The boundaries of the tourism development zones shall be within the areas described in appendix A of this article.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-204. - Administration.

An applicant seeking to obtain the benefits of the tourism development zone shall have a valid business license with the City of Waynesboro, or shall apply for a business license with the City of Waynesboro. A letter of interest shall be submitted to the Waynesboro Economic Development office to be reviewed by the Waynesboro Economic Development Authority ("EDA"). Once approved, the business owner should complete and submit a tourism development zone program qualification application.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-205. - Eligibility and qualifications.

Criteria have been outlined for individual tourism development zones; Interstate, Downtown and East Main. Tourism businesses will need to determine eligibility by referencing requirements per location and zone, which is detailed for each zone in [appendix A of this article].

For a tourism business to be eligible to receive benefit of tourism development zone incentives, it must have a valid business license with the City of Waynesboro, and it must be located within the boundaries of one of the tourism development zones and meet the following qualifications based on that zone: Capital improvement, job creation, wage level, employee benefits, industry, SWaM certified and building ownership.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-206. - Incentives.

Incentives have been developed and are based on business location in the individual tourism development zone. The specific incentives are contained in [appendix A of this article], and include the potential to receive the following: percentage of real estate tax reimbursement, percentage of property tax reimbursement, percentage of building permit reimbursement, percentage refund on tourism development zone application fee, reimburse first year cost of BPOL after business opens, reimburse cost of sign permit after business opens, pay first year membership dues to specific organizations, provide \$300.00 training scholarship for suggested trainings, provide \$1,000.00 marketing grant for agreed upon marketing plan, eligible to apply to city façade and landscape program, job creation grant, and reduction on economic development authority revolving loan fund interest rate.

(Ord. No. 2013-95, 11-25-13)

#### Sec. 22-207. - Certification procedure.

The following certification procedure applies to tourism businesses seeking to obtain the benefits of the tourism development zone:

- (1) A tourism business must submit a tourism development zone program qualification application to the EDA for certification as a qualified tourism business.
- (2) The EDA will review and verify that each applicant is in compliance with the tourism development zone qualifications.
- (3) After a tourism business has been certified as a qualified tourism business, it must annually submit a tourism zone program annual review application to the commissioner of revenue on or before March first of each year of the incentive period, indicating the number of full time employees employed by the qualified tourism business, the amount of business license tax, real estate, business personal property, and/or machinery and tool taxes paid by the qualified tourism business during the incentive period, and any other information as requested by the commissioner of revenue or the EDA for purposes of administering the tourism zone. Applications must be signed by an official representative of the qualified tourism business authorized to sign on its behalf. Applications received after March first will not be eligible to receive tourism zone incentives for that year.
- (4) An existing tourism business shall not qualify for tourism zone incentives by reorganizing or changing its form in a manner that does not alter the basis of the tourism business assets or result in a taxable event.
- (5) If a qualified tourism business fails to pay in full the taxes imposed by the city by their due date, this will result in the forfeiture of the tourism zone incentives for that year.
- (6) If a qualified tourism business files for bankruptcy during any year of the incentive period, this will result in disqualification and the business will be ineligible to receive

tourism zone incentives for the remainder of the incentive period.

- (7) In the event that the tourism business ceases to be a qualified tourism business, ceases to meet the minimum capital investment criteria, or removes itself from operation from the city during any year of the incentive period, it shall be required to repay the total amount of tourism zone incentives received. A tourism business must sign an agreement to this effect before receiving tourism zone incentives.
- (8) If a qualified tourism business leaves the city to conduct business in another location within any year of the incentive period, it will be required to repay the city the total amount of tourism zone incentives received.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-208. - Special service districts not affected.

The establishment of the tourism development zones shall not be construed to affect any provision or requirement of the City Code or state statute creating special service districts, including but not limited to the collection of special taxes.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-209. - Zoning ordinance not affected.

This article is an economic development incentive and is not a zoning change. Nothing herein shall be construed to affect any provision or requirement of any city zoning ordinance.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-210. - Nonwaiver.

Nothing in this article shall not be construed to waive the requirement of any ordinance, regulation or policy of the city including, but not limited to, those ordinances, regulations and policies that require permits and approvals for land use and construction. Additionally, unless stated otherwise herein, nothing in this article shall be construed as waiving the right of the city to enforce its ordinances, regulations or policies to collect any taxes, fees, fines, penalties, or interest imposed by law on a qualified tourism business or upon real or personal property owned or leased by a qualified tourism business. The city manager, acting as designee of the city council, in consultation with the city attorney, may remove qualified tourism business status from any business that is not compliant with any article, regulation, policy or other legal requirement.

(Ord. No. 2013-95, 11-25-13)

Sec. 22-211. - Confidentiality.

To the extent permitted under the Virginia Freedom of Information Act, confidential business records will be safeguarded from disclosure.

(Ord. No. 2013-95, 11-25-13)