Virginia’s Tourism Industry

* Virginia is for Lovers is a well-recognized, international brand representing experiences created by tourism industry business partners — locally, regionally and statewide. Tourism businesses create and define communities, are a catalyst for local quality of life, and represent the livelihood of over 23,000 Virginians. Tourism businesses feed us, clothe us, educate and entertain us, and give us the tools we need to fuel our family and work lives. Virginia’s dining, shopping, food and specialty markets, outdoor parks and trails, entertainment venues and lodging are created by, and serve, local and regional residence. Our tourism industry’s diverse people, business and community leaders, and the ever-changing cultures they produce fuel the stories and experiences which create our vibrant history, attracting travelers for centuries.

Rather than local economies relying solely on residential and regional spending, attracting out-of-state travelers and visitor spending is an important mission of Virginia’s tourism industry. Virginia’s tourism industry is proven to be a leader in our economic success, creating $26 billion annual spending, which equates to $71 million dollars a day. This is especially important during times of economic challenge.

TDFP | At-A-Glance

1. The Applicant (Locality) proves Deficiency
2. The Developer’s Project fills the proven Deficiency
3. The Developer acquires all lending needed *with Locality and State supporting debt service on the Gap financed amount
4. The Applicant completes all steps, in order, before an application can be made
5. Once TDFP Certification is achieved, construction on the Project may begin *not before

For more information, contact:

Wirt Confroy – Director of Business Development
Virginia Tourism Corporation, 901 East Cary Street, Suite 900, Richmond, VA 23219
804 545 5552 | wconfroy@virginia.org
The Role of the Commonwealth’s Tourism Development Financing Program

Tourism Development and Marketing

Tourism development and marketing can be defined in (3) distinct tiers

It is within the Tier (3) category of tourism development the TDFP is designed assist:

- Tier (1) – Create and jumpstart tourism visitation, spending and job creation where current levels are low
- Tier (2) – Sustain already active visitor engagement and the resulting financial and job creation benefits
- Tier (3) – Prevent the loss of established, high visitor demand and spending due to lack tourism product

Identifying & Proving Tourism Deficiency

— Is there a sector of local tourism activity in your area which has reached such high demand, that current tourism product cannot meet?

— Does your current, updated Community Comprehensive Plan identify and address these demands?

— Do your current, updated Tourism Development Plan and Tourism Marketing Plan identify, benchmark and track traveler visitation, activity and visitor spending?

— Do potential Developer partners have a current Market / Feasibility Study with research and data proving their project can fill that local Deficiency?

— Is your community and developer research and data tracking and reporting current, changing phases of visitation, spending and employment caused the coronavirus-related downturn in traveler activity?

If you’ve answered “Yes” to these key tenants of tourism development and marketing, then the Commonwealth’s Tourism Development Financing Program (TDFP) may be a consideration for your community.

Tourism Research & Data

It is important to first establish a local tourism deficiency through current research and data:

- This research is collected by a Locality’s Economic Development Office (EDA/IDA) and Destination Management/Marketing Organization (DMO/Tourism Office) during its efforts to create, sustain and grow tourism
- Current comprehensive development plans; tourism development and marketing plans
- Robust market studies (usually provided by the developer) outlining the financial viability and sustainability with financial projections for proposed project. These studies provide analysis and economic evaluation of the market and current market demand for rooms in the subject area and the share of market demand that is generated by tourists, commercial travelers, and group meetings and conventions
- These plans have been approved by the local government, and show years strong and sustained visitor engagement and spending data to support such high demand and deficiency in meeting it
- Also included is a tourism marketing plan, with years of benchmarked data, showing increase visitor spending

COVID-19 As of March 2020, U.S. and global tourism destinations will be updating their development and marketing plans to accommodate the changes in travel spending due to the COVID-19 epidemic. See these resources to help when seeking new research and marketing opportunities » VATC.org/coronavirus
The Application Process

To apply for either tier of TDFP certification, the following steps must occur, in order:

1. **LOCAL TOURISM INVESTMENT + SUBSTANTIATE DEFICIENCY**
   - Share *Locality*'s current tourism staff, infrastructure, development & marketing
   - The *Locality* (Applicant) submits local *Comprehensive Community Plans, Community Development Plans & Market Studies* explicitly identifying & substantiating a tourism *Deficiency* in their local, tourism economy
   - VTC reviews before Step 2

2. **IDENTIFY PROJECT + SUBMIT VTC’S TOURISM DEVELOPMENT PLAN DOCUMENT**
   - The *Locality* identifies a *Developer* partner and *Project* which fills this *Deficiency*
   - The *Locality* completes the *Tourism Development Plan* supplied by VTC
   - VTC reviews before Step 3

3. **VERIFY FINANCING + FINALIZE PERFORMANCE AGREEMENT**
   - Work with *Virginia Resources Authority* to verify committed financing, debt structuring & gap reimbursement
   - The *Developer* is sole owner of all debt with *Lenders* and secures all financing, including the gap financing, prior to applying for TDFP gap financing
   - VTC reviews before continuing

4. **CREATE & VERIFY TOURISM ZONE ORDINANCE**
   - Pass a *Local Ordinance* creating a “Tourism Zone” in which the project’s footprint must be located
   - 0 VTC review must occur before Step 5

5. **ADOPT A PROJECT ORDINANCE**
   - Must be completed AFTER Steps 1 through 4 are completed & reviewed by VTC
   - Pass a *Local Ordinance* adopting Steps 1 through 5
     - including the specific development project by name & commitment to financing
   - The *Final Application* is the documentation from the completed, previous steps
   - Submit $500 application & processing fee paid by either *Developer* or *Locality*
   - Only when Steps (1) - (6) are deemed complete by VTC is the Application complete

6. **PAY APPLICATION FEE**

7. **APPLICATION REVIEW BY STATE COMPTROLLER**
   - The *State Comptroller* reviews Final Application
     - Review period, including possible requests for more data
     - Sends Certification Letter if certification is approved

8. **ANNOUNCE TDFP CERTIFICATION**
   - VTC coordinates with *Locality* a Media Release from the Governor’s + Announcement Event if requested

9. **DEBT SERVICE > After business opening**
   - VTC provides *Locality* with VA Dept. of Tax Contact to arrange partner payments for duration of financing debt
The Gap Financing

- TDFP creates a partnership where the State, Locality and Developer each contribute an equal amount toward quarterly payment of debt service
- If a project generates $1,000,000 in revenue during its first quarter of operation, $10,000 (1% of $1,000,000) is the amount that each partner will contribute for the payment
- The State will contribute $10,000, the Locality will contribute $10,000, and the Developer will contribute $10,000
- Collectively, contributions from all partners equal $30,000 for this quarter
- This same process is repeated each quarter until the debt service requirement has been satisfied/fully paid
- Tier 2 follows the same process except 1.5% of quarterly revenue is the amount that each partner contributes

Tier 1 = 70/30 projects ... < $100 million

- Compensates for a shortfall in project funding, not to exceed 30% of a qualified project’s total cost
- Once the project is complete and generating income, the Locality works with the VA Dept. of Tax to perform a quarterly review of state sales and uses taxes collected on the development project
- 1% of the project quarterly revenue is the amount each partner will contribute towards debt service on the project, until debt service is fully paid
- The Developer owns all debt exclusively, while the Locality and state only contribute to debt service

Tier 2 = 80/20 projects ... $100 million +

- For larger scale, $100+ million projects of regional significances; excluding major retail
- Compensates for a shortfall in project funding, not to exceed 20% of a qualified project’s total cost
- 1.5% of quarterly revenue is the amount each partner will contribute towards debt service on the project

Once the project has received certification:

- Once the project is open for business and generating revenue, the Tax Commissioner’s office will work with the Locality to identify the amount of revenue generated from the project quarterly
- The appropriate percentage of that revenue is identified and the State’s portion is remitted to the Locality
- This is done quarterly, based on this approximate schedule:
  - Quarterly Sales and Use Tax #1 » Identified in February, Payment made in March
  - Quarterly Sales and Use Tax #2 » Identified in May, Payment made in June
  - Quarterly Sales and Use Tax #3 » Identified in August, Payment made in September
  - Quarterly Sales and Use Tax #4 » Identified in November, Payment made in December
- The Locality then delivers the Developer’s contribution (access fee), the State’s contribution, and the Locality’s contribution to the local Economic Development Authority, who then pays the Lender.
Tourism Development Financing Program (TDFP)

- **$100 million**

  - **70%**
    - Developer
  - **30%**
    - Localities
    - State

  An amount = to 1% of the project's quarterly revenue is paid, quarterly, by each partner to the lender until the gap's debt service is complete.

- **$100 million**

  - **80%**
    - Developer
  - **20%**
    - Localities
    - State

  An amount = to 1.5% of the project's quarterly revenue is paid, quarterly, by each partner to the lender until the gap's debt service is complete.

**Gap Financing**

3 Partners Pay 1 Quarterly Payment

**Tier 1**

<table>
<thead>
<tr>
<th>Qtrly Hotel Revenue</th>
<th>1.0%</th>
<th>PAY DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
<td>1,000,000</td>
<td>&gt; 10,000</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>1,500,000</td>
<td>&gt; 15,000</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>750,000</td>
<td>&gt; 7,500</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>1,000,000</td>
<td>&gt; 10,000</td>
</tr>
<tr>
<td>Yearly</td>
<td>4,250,000</td>
<td>42,500</td>
</tr>
</tbody>
</table>

Three partner's yearly combined debt service: 127,500
Tourism Development Plan

* VTC’s Tourism Development Plan is completed and submitted to Virginia Tourism Corporation for review

TDFP | Step 2 TOURISM DEVELOPMENT PLAN

Locality that are interested in pursuing the financing will need to submit a Tourism Development Plan which will be reviewed and certified by the Virginia Tourism Corporation (VTC). The Tourism Development Plan submitted can be an existing plan already adopted by a locality, or a plan can be created using VTC’s Tourism Development Plan website.

The purpose of the plan is to (1) outline the specific void the proposed project will fill; (2) provide accurate representations of a locality’s current tourism product and assets, infrastructure, marketing efforts and visitor profiles; and (3) show the return on investment the proposed project will have to the local tourism economy.

**Confidential + Proprietary Information**

If confidentiality of any information is necessary and applicable while exploring the eligibility of your proposed tourism development project with VTC, you must mark the information as “confidential and proprietary records.” This includes print, audio and video information shared with Virginia Tourism Corporation via email, email attachments, standard delivery or courier. [§ 2.2-3705.6 (9)]

Please note that ownership of information and documentation submitted to the Virginia Tourism Corporation (VTC) either during preliminary discussions or as part of a Tourism Development Financing Program application constitute public records under the Virginia Freedom of Information Act (FOIA) and shall be subject to public disclosure in accordance with FOIA. Proprietary information and documentation submitted by an applicant shall not be subject to public disclosure under FOIA. To prevent disclosure, however, the applicant must specifically identify the information or documentation to be protected. Public records that VTC determines are not proprietary will be subject to public disclosure under FOIA, even if marked as confidential by the applicant.

SECTION 1: PROPOSED DEFICIENCY

1-A What deficiency exists in your local tourism economy?

1-B Provide the data supporting the deficiency in your Locality’s comprehensive community plans and project-related market studies

1-C Provide the data supporting the deficiency in your Developer’s specific market study

   * For the above, please highlight the specific data proving the deficiency
   * The data should include an inventory of similar tourism product and visitor demand indicators
   * If lodging, include number, name, proximity, service level & pricing of existing, local lodging

1-D Provide information supporting the Developer’s need for State and Local gap financing?

   * Include information citing the specific financial need for TDFP and potential project termination without TDFP

1-E Briefly describe the overall scope of your project and how it fills your proven deficiency?

1-F What is the total capital investment of the development project?

1-G What is the estimated, total gap financing amount requested for the project?

1-H Will this proposed project fit into an existing Tourism Zone? Yes | or | No

1-I The proposed project will accomplish the following: *jobs, tax revenue, increased visitation

<table>
<thead>
<tr>
<th>Number of full-time jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of part-time jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

| Projected, annual, staff hours created from this specific project projected to be |
| * Total, annual number of full (40 hrs./week) and part-time hours combined |
| Projected, annual, salary expenditures specific project projected to be |
| * Total, annual, combined salary costs for all full (40 hrs./week) and part-time jobs |

| Projected, annual, local tax revenue from project expected to be |
| $ |

| Projected, annual, state tax revenue from project expected to be |
| $ |

| Projected, annual visitors to the new business (total) are expected to be |
|                          |

| Projected, annual out-of-town visitors (50 miles or more) to the new business are expected to be |
|                          |
SECTION 4: MARKETING PLAN

4. A Please submit your current or existing marketing plan.

What is a Marketing Plan?
A marketing plan is an official, adopted plan by which an organization or community can maximize its tourism potential. It answers key questions which provide direction for a community's tourism marketing activities. A marketing plan brings together an organization's research, particular goals, measurable objectives, brand ideals and other important considerations in one concise, executable directive.

Key questions a marketing plan can include are:

- Summary and Introduction
  - Who are we?
- Marketing Objectives
  - What are we trying to accomplish?
  - What measurable outcome do we want?
- Situation Analysis
  - What are we trying to achieve?
- Target Markets
  - Who is our audience or customer?
- Strategies and Tactics
  - What vehicles will we use?
  - What messages will we use?
- Tracking and Evaluation
  - How will we measure our success?

A marketing plan:
- Allows an organization to look internally to fully understand the impact and results of past marketing
- Allows the organization to look externally to fully understand the market in which it chooses to compete
- Sets future goals and provides direction that everyone in the organization should understand and support

** IMPORTANT **
In your Marketing Plan, please include a statement or brief description on how the aspects of your new development project will be included with, but also enhance your current marketing plan. Mention how the new product you are developing [i.e. guest rooms, meeting space, dining, sports venues, etc.] will enhance the visitor experience, amenities for locals, have a positive impact on surrounding tourism businesses and support regional tourism efforts.

Your marketing plan will have the following results:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Marketing Budget</td>
<td>$</td>
</tr>
<tr>
<td>*Not including salaries, benefits or fixed costs</td>
<td></td>
</tr>
<tr>
<td>Visitation increased by</td>
<td>%</td>
</tr>
<tr>
<td>Tourist expenditures increased by</td>
<td>%</td>
</tr>
<tr>
<td>Visitor Satisfaction increased by</td>
<td>%</td>
</tr>
<tr>
<td>Number of partnership participants in your marketing plan</td>
<td></td>
</tr>
</tbody>
</table>
Sources + Uses of Funds

When submitting the final Performance Agreement, the following sources and uses of funds will need to be identified and reviewed with VRA [Virginia Resources Authority]

### Sources and Uses of Funds

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Source 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Equity Source 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Gap Financing Source 5</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Source of Funds:</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Funds 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Use of Funds 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 5</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Use of Funds (Total Project Cost):</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Source 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Equity Source 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Debt and Equity Sources of Funds:</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

| Total Use of Funds (Total Project Cost): | $ XXX |

| Debt and Equity Sources / Project Cost | XX% |

*Debt (excluding Gap Financing) and Equity Sources*
Performance Agreement

Locality/Applicants interested in applying for TDFP must enter into Performance Agreement with the Developer

A Developer should structure their project debt and equity financing, and enter into a Performance Agreement with the appropriate political subdivision in the Locality and confirm they will pay an access “fee equal” to one percent of the sales tax revenue generated and returned to the tourism project

- The performance agreement is between the economic development authority or other appropriate political subdivision in the Locality where the tourism project will be located and the project Developer
- It states that the tourism project Developer will pay an “access fee” equal to one percent of the sales tax revenue generated and returned to the tourism project.
- It specifies that the access fee, plus the returned sales taxes will be used to pay annual debt service on the gap funding until such debt is paid in full
- It provides for the Locality in which the project is located to notify the State Comptroller and the Department of Taxation when the taxes are no longer subject to being remitted.
- Once the developed project is generating revenue, the Tax Commissioner certifies on a quarterly basis the amount of entitled sales tax revenues to the State Comptroller. The State Comptroller remits the tax revenue to the Locality and the Locality remits them to the economic development authority or other appropriate political subdivision

Verification of at least 70% Funding of Tourism Project through Debt or Equity

- Plan of Finance
  - a short half-page description of how the project will be financed
  - substantiates the sources of funding

- Sources and Uses of Funds
  Minimum of 70% of the financial package is in place
  - Term Sheets
  - Commitments
  - Loan agreement drafts

- Term Sheets, Commitment Letters, Other Debt Financing Documentation
Sources + Uses of Funds

When submitting the final *Performance Agreement*, the following sources and uses of funds will need to be identified and reviewed with VRA (Virginia Resources Authority)

### Sources and Uses of Funds

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Source 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Equity Source 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Gap Financing Source 5</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Source of Funds:</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Funds 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Use of Funds 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Use of Funds 5</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Use of Funds (Total Project Cost):</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Source 1</td>
<td>$ XXX</td>
</tr>
<tr>
<td>Equity Source 2</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Debt Financing Source 4</td>
<td>XXX</td>
</tr>
<tr>
<td>Total Debt and Equity Sources of Funds:</td>
<td>$ XXX</td>
</tr>
</tbody>
</table>

| Total Use of Funds (Total Project Cost): | $ XXX |

| Debt and Equity Sources / Project Cost | XX% |

*Debt (excluding Gap Financing) and Equity Sources*
Establishing a Tourism Zone

Found online at » www.VATC.org/tourismzones

Localities interested in pursuing the Commonwealth of Virginia Tourism Development Financing Program will need to have a defined tourism zone(s) within which the proposed project is contained. Virginia cities, counties, or towns can currently establish such tourism zones as allowed for in the Code of Virginia. Interested localities are encouraged to begin development of the required tourism zones.

§ 58.1-3851. Creation of local tourism zones

A. Any city, county, or town may establish, by ordinance, one or more tourism zones. Each locality may grant tax incentives and provide certain regulatory flexibility in a tourism zone.

B. The tax incentives may be provided for up to 20 years and may include, but not be limited to (i) reduction of permit fees, (ii) reduction of user fees, and (iii) reduction of any type of gross receipts tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.

C. The governing body may also provide for regulatory flexibility in such zone that may include, but not be limited to (i) special zoning for the district, (ii) permit process reform, (iii) exemption from ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ 10.1-2100 et seq.), the Erosion and Sediment Control Law (§ 10.1-560 et seq.), or the Virginia Stormwater Management Act (§ 10.1-603.1 et seq.), and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.

D. The establishment of a tourism zone shall not preclude the area from also being designated as an enterprise zone.
(2006, c. 642; 2008, c. 462.)

Tourism Zone Specifics

≡ Virginia localities can establish a Tourism Zone independent of the TDFP program
≡ Tourism Zones are passed by local ordinance and contain both requirements and benefits for existing and new tourism businesses, including lodging, dining, retail, meeting and sports facilities, Outdoor recreation areas, theme parks and event venues.
≡ Localities can create a new Tourism Zone during the TDFP application process if one does not exist
≡ Much like traditional business enterprise zone, a tourism zone allows for businesses to take advantage of state and local tax credits and deductions not available to businesses elsewhere. The goal of the incentives is to stimulate business attraction, growth, and increased employment opportunities within economically challenged areas of a Locality. This can include, but is not limited: hiring credits, sales & use tax credits, expense and interest deductions, discount utilities hook-up and payment plans, sewer facility hookup payment plans and reduced parking requirements.
≡ Any city, county, or town may establish, by ordinance, one or more tourism zones. Each Locality may grant tax incentives and provide certain regulatory flexibility in a tourism zone.
Tourism Zone Specifics *continued*

In Virginia, tax incentives may be provided for up to 20 years and may include, but are not be limited to:
- Reduction of permit fees
- Reduction of user fees
- Reduction of any type of gross receipts tax
- The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States

In Virginia, tax incentives may be provided for up to 20 years and may include, but are not be limited to:
- Reduction of permit fees
- Reduction of user fees
- Reduction of any type of gross receipts tax
- The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States

A governing body may also provide for regulatory flexibility in such zone that may include, but not be limited to:
- Special zoning for the district
- Permit process reform
- Exemption from some ordinances, excluding ordinances or provisions adopted pursuant to the Chesapeake Bay Preservation Act, Erosion & Sediment Control Law and the VA Storm water Management Act
- Other incentive adopted by ordinance, which shall be binding upon the Locality for a period of up to 10 years

Tourism Zone Considerations

Factors when considering the opportunity and impact of tourism zones

- Pre-existing enterprise or business development zones
- The level and nature of adjoining developments
- Any relevant local planning policy, legislation, state planning policies and development control regulations
- Preparation, advertising, adoption and implementation tourism zones, in relation to local community and business development plans
- Any tourism development zone fundamentals including the use of land, including the extent of preservation, further development, land use
- Density or proximity of any residential developments within a tourism zone
- Tourist center and Locality-wide services and operations
- Any new types or quantities of merchandise or goods to be stored, processed, produced or sold
- Personal safety and security in streets and around buildings or new business development
- Strategic importance for the tourist industry is for local residence and out-of-town tourists
- Balance with local transportation without restricting access and use of tourist attractions
- Tourists visit places for a variety of purposes which do not include work or a permanent home
- Effectiveness of travel, retail and hospitality signage
- Control the service of alcohol so as not to adversely impact on residents or the community
- Storm water drainage details including design levels and erosion control at outlets
- Access to non-emergency and emergency health care needs of visitors
- Diverse lodging development and needs, in relations to residential nearby
Tourism Zone Examples

The level of incentives is determined based on the size of the capital investment, the number of jobs created and how the project meets the following areas of interest to the City of Fredericksburg.

- Increase in local sales tax generation
- BPOL tax generation
- Location within a priority area, as defined in the JumpStart! Plan and 2007 Comp Plan
- Connection to the City’s Pathways Plan
- Incorporation of public art into the project
- Use of the Economic Development Authority in financing the project
- Environmental Innovation
- Historic Preservation
- Benefits to new, expanding and existing businesses

<table>
<thead>
<tr>
<th></th>
<th>New</th>
<th>Expanding</th>
<th>Existing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagle Village + Celebrate Virginia South-Central Park</td>
<td>Minimum $500,000 capital investment</td>
<td>create at least 25 jobs</td>
<td></td>
</tr>
<tr>
<td>Downtown - Princess Anne Street</td>
<td>Minimum $250,000 capital investment</td>
<td>create at least 10 jobs</td>
<td>Minimum $125,000 capital investment create at least 5 jobs</td>
</tr>
</tbody>
</table>