



Tourism Development Zone

Incentive Guidelines and Application

Information:

A Tourism Development Zone (TDZ) is a designated geographic area identified for increased growth in tourism-related businesses. Targeted businesses, identified using the North American Industry Classification System (NAICS) code, may be eligible for special incentives based on business criteria. In Shenandoah County, we have identified the entire county as a Tourism Development Zone in an effort to encourage general tourism, agri-tourism and outdoor recreation based business. Incentives may be offered to tourism-related businesses locating or expanding in the county. Businesses such as retail, dining, lodging, culture & arts, entertainment, and experiential services can qualify for a reduction of personal property tax, real estate tax and/or Transient Occupancy Tax for up to 5 years based off of investment and revenues generated over that same time period. Other incentives include the potential for free chamber membership for 1 year and a free ad in the Shenandoah County Visitor Guide. The extent of incentives offered by the County is dependent upon the capital investment to the property, number of jobs created, and current product offering versus identified gaps in our business community.

Applicant must have a minimum \$15,000 capital investment* over 3 years to be applicable for consideration.

* based on the IRS definition of capital investment

Procedures:

A new or existing Tourism Business may apply to become a *Qualified Tourism Business*. A *Qualified Tourism Business* is defined as a Tourism Business that has met the qualifications set forth in Chapter 38, Title 58.1 of the Code of Virginia of 1950, as amended and described herein, and continues to meet such qualifications as required by this Article.

A Tourism Business is defined as a business that has an aim of attracting customers from outside of Shenandoah County and carries out at least one of the following business activities in Shenandoah County:

- Hotel/Motel
- Timeshare/Vacation Rental Home
- Bed & Breakfast
- Outdoor Recreation Outfitter
- Theaters
- Museums
- Art Galleries
- Restaurants, bakeries, and eateries
- Craft breweries, cideries, distilleries or wineries
- Retail
- Artisan studio or workshop
- Event facility or assembly hall
- Farmers markets, farm stands, pick your own and other agri-tourism related venues
- Experiential or educational tourism

Business is defined as 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.

Applications must be approved PRIOR to any qualifying investment being made.

To apply:

1. Applicant must be current on all necessary permits, licensing and taxes in order to apply.
2. Prepare a letter or email of interest to the Shenandoah County Tourism & Economic Development Office stating your desire to submit an application and possibly receive TDZ benefits. The letter should be addressed to the Director of Tourism & Economic Development and briefly discuss your business overview and business capital investment and employment plans.
3. Meet with the Shenandoah County Office of Tourism & Economic Development to describe your interest.

4. Complete and deliver the application, any requested attachments, and a deposit towards the application fee made payable to Shenandoah County Tourism in the following amounts based upon the size of the investment:

- \$50 deposit for applications under \$500,000 in investment
- \$150 deposit for applications over \$500,000 investment

Checks should be made payable to:

Shenandoah County Tourism & Economic Development
600 North Main Street, Suite 101
Woodstock, VA 22664

In the event that your application qualifies, your check will be returned to you in its entirety.

5. Applications will be reviewed by a committee appointed by the Tourism Zone Administrator within 1 month of receiving the complete application. You may be asked to attend a meeting to review your plan.
6. If Tourism Council approves your application a performance agreement will be drafted for your signature.
7. If approved, your business may qualify to receive a tax benefit for a period of 3-5 years, based upon the score of the application. The rebate amount for each year varies based upon the score of the application for scoring criteria and rebate amounts. The following taxes and fees are eligible to be rebated:
- Transient Occupancy Tax (collected by the County)
 - Personal Property Tax (collected by the County)
 - Business Merchants Capital Tax (collected by the County)
 - Real Estate Tax (collected by the County)
8. To remain eligible for ongoing inclusion in the program or for future tourism zone incentives, an annual tourism zone program review should be submitted to Shenandoah County Tourism & Economic Development on or before January first (1) to be eligible for any potential incentives to begin with the first payout in June of the following year. Program review includes proof of qualified investment, tax payments, and number of employees verified by the employment commission.

9. Receipt of any funding is contingent upon completion of proposed investment and employment figures.

10. In the event of a denial of funds, applicants can submit a revised business plan and application. It is recommended that applicants meet with Tourism & Economic Development Staff, the Small Business Development Center, relevant town staff, or other supporting agencies for advise before doing so. A maximum of 3 applications for the same project may be submitted.

For More Information:

Jenna French, Director of Tourism & Economic Development

jfrench@shenandoahcountyva.us

600 North Main Street, Suite 101

Woodstock, VA 22664

540-459-6227

Program Qualification Application

1. Legal Name of Business: _____

2. Doing Business As (if different than above): _____

3. Owner(s) Name(s): _____

4. Owner Type: LLC Sole Proprietor Corporation
 Other: _____

5. Business Firm Identification (FEIN): _____

6. Physical Address: _____

7. Mailing Address: _____

8. Primary Contact: _____

9. Email: _____

10. Phone Number: _____

11. Business Website: _____

12. Description of business and business activities (if an existing business, please also provide an overview of new product, or services under the proposed expansion): _____

13. If located within town limits, do you have a valid business license with that town?
 Yes Town _____ Date _____
 No If no, please explain _____

14. This business is:
a. Start up
 i. If so, describe your anticipated schedule to begin. This should include your proposed opening date. _____

b. Expansion

c. Relocation

i. If so, from where are you relocating? Include street address and jurisdiction.

ii. Proposed new address Include street address and jurisdiction

d. New additional location

i. If so, where are other locations? Include street addresses, jurisdictions and length of time in operation at each location. _____

15. Is your business exempt from State Income Tax? Yes No

16. Does your business currently own or lease the property where you plan to locate?

Own Lease* Other _____

*If the property is leased, the application must be accompanied by a release from the property owner stating support for any expected building improvements.

17. Will this project be new construction or rehab of an existing space?

New Construction Rehab. Scheduled Completion Date _____

18. Have you discussed your plans with:

Architect? Yes No

Contractor? Yes No

Engineer? Yes No

County Building Dept? Yes No

19. What is the estimated capital investment for the first three years?

| | Year 1 | Year 2 | Year 3 |
|---|--------|--------|--------|
| Real Estate | | | |
| Building Improvements | | | |
| Manufacturing Merchant Capital/Machinery & Tools | | | |
| Business Tangible Personal Property | | | |
| TOTAL | | | |

20. How many employees are you planning to employ and what is the average hourly wage?

| | Year 1 | Year 2 | Year 3 | Hourly Wage |
|------------------------------------|--------|--------|--------|-------------|
| Full Time (40 hrs/wk) | | | | |
| Part Time (20-30 hrs/wk) | | | | |
| Part Time (less than 20 hrs/wk) | | | | |

21. Will you be providing any employee benefits? Yes No

Describe: _____

22. Attach a five (5) year business plan, including revenue and expense projections, and marketing plan for the business.

23. Describe your target audience. Include location (mix of local versus out of town), demographic, interests, etc.

24. Have you discussed your business plan with any of the following agencies? (Check all that apply)

- Tourism & Economic Development Office
- Small Business Development Center
- Chamber of Commerce
- Small Business Administration
- Virginia Cooperative Extension
- Marketing Firm: _____
- Other: _____

25. Based on your business plan projections, what is your anticipated Gross Receipt revenue for each of the first five calendar years in the Tourism Zone?

A. New Business

| | Anticipated Gross Receipt Revenue |
|--------|-----------------------------------|
| Year 1 | |
| Year 2 | |
| Year 3 | |
| Year 4 | |
| Year 5 | |

B. Expanded Business

| | Anticipated Total Gross Receipt Revenue |
|---|---|
| Last Full calendar Year prior to investment | |
| Year 1 | |
| Year 2 | |
| Year 3 | |
| Year 4 | |
| Year 5 | |

26. Based on the anticipated revenue and investment, please complete the chart below to indicate new tax revenue collected by the County during the first full calendar year of business being in operation or upon the expansion being completed within the Tourism Zone.

A. New Business (complete only those lines that are applicable to your business)

| Local Tax | Annual Anticipated Tax Revenue |
|--|--------------------------------|
| Real Estate Tax (\$0.60/\$100) | |
| Transient Occupancy Tax (county-based lodging only) (5% of total sales) | |
| TOTAL | |

B. Expanded Business (complete only those lines that are applicable to your business)

| Local Tax | A) Current Annual Local Tax Revenue (Most recent calendar year) | B) Anticipated Annual Local Tax Revenue (First full calendar year after expansion) | C) (A) – (B) |
|--|---|--|--------------|
| Real Estate Tax (\$0.60/\$100) | | | |
| Transient Occupancy Tax (county-based lodging only) (5% of total sales) | | | |
| TOTAL | | | |

27. Do you plan to purchase any of your new equipment, supplies, or use other business related services through local vendors? Yes No

If yes, please describe: _____

28. Do you plan on partnering with any other local businesses or organizations, aside from those mentioned in Question 27? Yes No

If so, describe how: _____

29. If an existing business, please attach a certificate of good standing from the State Corporation Commission which can be requested at www.scc.virginia.gov

I hereby certify that all the information provided in and attached to this application is true and correct

Owner or Principal

Date

Title

Confidential proprietary records provided by a business as part of this application, including financial information and business plan, shall be maintained as confidential by Shenandoah

County and are not subject to disclosure under the Virginia Freedom of Information Act, Code of Virginia §2.2-3705.6 (a)(3).

For Internal Office Use Only

Anticipated Revenues have been verified with the Commissioner of Revenue

Signature

Date

Applicant is current on all current taxes and fees as verified by the County Treasurer

Signature

Date

Applicant is current on all town taxes and fees as verified by the town finance director (if located within town limits)

Signature

Date