



TOURISM ZONES

In the Commonwealth of Virginia

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Tourism Zones

Found online at » <http://www.vatc.org/tourismzoneszones>

- ≡ Virginia localities may establish a *Tourism Zone* without state oversight
- ≡ 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.
- ≡ Currently, there are approximately 81 Tourism Zones, statewide, across Virginia in 44 different localities.

WHAT is a Tourism Zone?

Much like traditional business enterprise zone, a *tourism zone* allows businesses to take advantage of state and local tax incentives not available to businesses elsewhere. The goal of these incentives is to stimulate business attraction, growth, and increased employment opportunities within certain areas of a locality. This can include, but is not limited: hiring credits, sales & use tax incentives, 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.

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

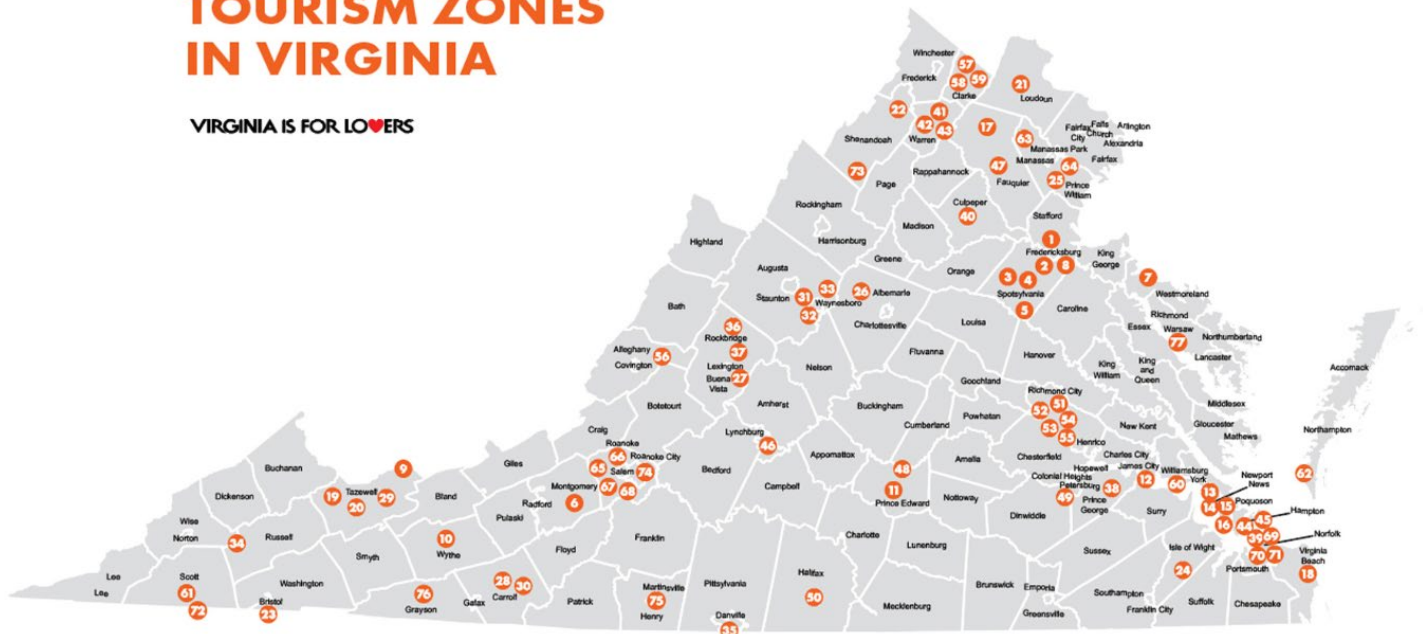
Visit this webpage » <http://www.vatc.org/tourismzoneszones> « for:

- A complete map of tourism zones in Virginia
 - Links to the local ordinances creating those tourism zones
 - A [Tourism Zones Incentives Matrix](#) listing and comparing the requirements and benefits used statewide
- In the creation of tourism zones

* Click map below for a direct link

TOURISM ZONES IN VIRGINIA

VIRGINIA IS FOR LOVERS



* Click image below for a direct link

Locality	Name of Tourism Zone	Date Established	Eligibility Requirements	Local Benefits/Incentives Offered	MOU or Business Incentive Tax Exemption	Machinery and Tools Tax Exemption	Real Estate Tax Exemption	Business Tangible Personal Property Tax Exemption	Targeted Industry Status as Exported Zone	Water/Power Concessions for Wineries or Breweries	Fee Reductions, Waivers or Subsidies (other than sales/use tax)	Subs., Grants or Lodging Tax Exemptions	Marketing Assistance	Incentives not Specified
Richmond	Overbrook Square North - Central East Tourism Zone	7/10/2007	1. Capital investment: \$100,000 2. IR 3. Create and sustain 25-75 jobs	1. Reduction of value of Business Personal Tax 2. Reduction of value of personal property tax and other applicable taxes 3. Reduction of any type of government fee (sales, lodging, advertising, local sales) 4. Reduction of machinery, tools, and fixtures personal property taxes, as applicable	X	X		X		X	X	X		
Richmond	Overbrook - Overbrook Square North - Tourism Zone	7/20/2007	1. Building business: \$1,500,000 capital investment or 1 year PPT job 2. Non-employee: \$250,000 or 10 new PPT jobs	1. Reduction of value of Business Personal Tax 2. Reduction of value of personal property tax and other applicable taxes 3. Reduction of any type of government fee (sales, lodging, advertising, local sales) 4. Reduction of machinery, tools, and fixtures personal property taxes, as applicable	X	X		X		X	X	X		
Richmond	Overbrook Central - North 30th	10/17/2011	1. Existing Business Capital Investment: \$250,000 2. New Business Capital Investment: \$200,000 3. Job Creation: 100 new jobs or 10 new PPT jobs	1. Tax Exemption (PPT) and MOU 2. Targeted industry status (for more development, marketing and recruitment)	X	X			X					
Richmond	Bay 7 - Central Tourism Zone	10/13/2011	1. Existing Business Capital Investment: \$200,000 2. New Business Capital Investment: \$100,000 3. Job Creation: 100 new jobs or 10 new PPT jobs	1. Tax Exemption (PPT) and MOU 2. Targeted industry status (for more development, marketing and recruitment)	X	X			X					
Richmond	Life Arts Center - Central Tourism Zone	10/13/2011	1. Existing Business Capital Investment: \$200,000 2. New Business Capital Investment: \$100,000 3. Job Creation: 100 new jobs or 10 new PPT jobs	1. MOU Tax Exemption 2. Reduction of other taxes (lodging, sales tax, other state incentives, and other taxes from the local taxing authority)	X	X			X	X	X			
Richmond	Overbrook - Tourism Zone	11/30/2011	\$1,000,000 capital investment or 100 jobs	1. MOU Tax Exemption 2. Reduction of other taxes (lodging, sales tax, other state incentives, and other taxes from the local taxing authority)	X					X	X			
Chesapeake	Central Beach Tourism Zone	1/10/2012	Must be an eligible tourism business making a substantial capital investment and creating new jobs in the tourism zone	1. MOU Tax Exemption 2. Lodging, sales, and franchise taxes 3. Other incentives may apply (subject to a cap by local laws)	X						X			
Chesapeake	Page Village Tourism Zone	10/26/2012	1. Capital investment: \$100,000 2. IR 3. Create and sustain 25-75 jobs	1. Reduction of value of Business Personal Tax 2. Reduction of value of personal property tax and other applicable taxes 3. Reduction of any type of government fee (sales, lodging, advertising, local sales) 4. Reduction of machinery, tools, and fixtures personal property taxes, as applicable	X	X		X		X	X	X		

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

Factors and Changes to Consider with Establishing a Tourism Zone

- ≡ 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

Establishing a Tourism Zone

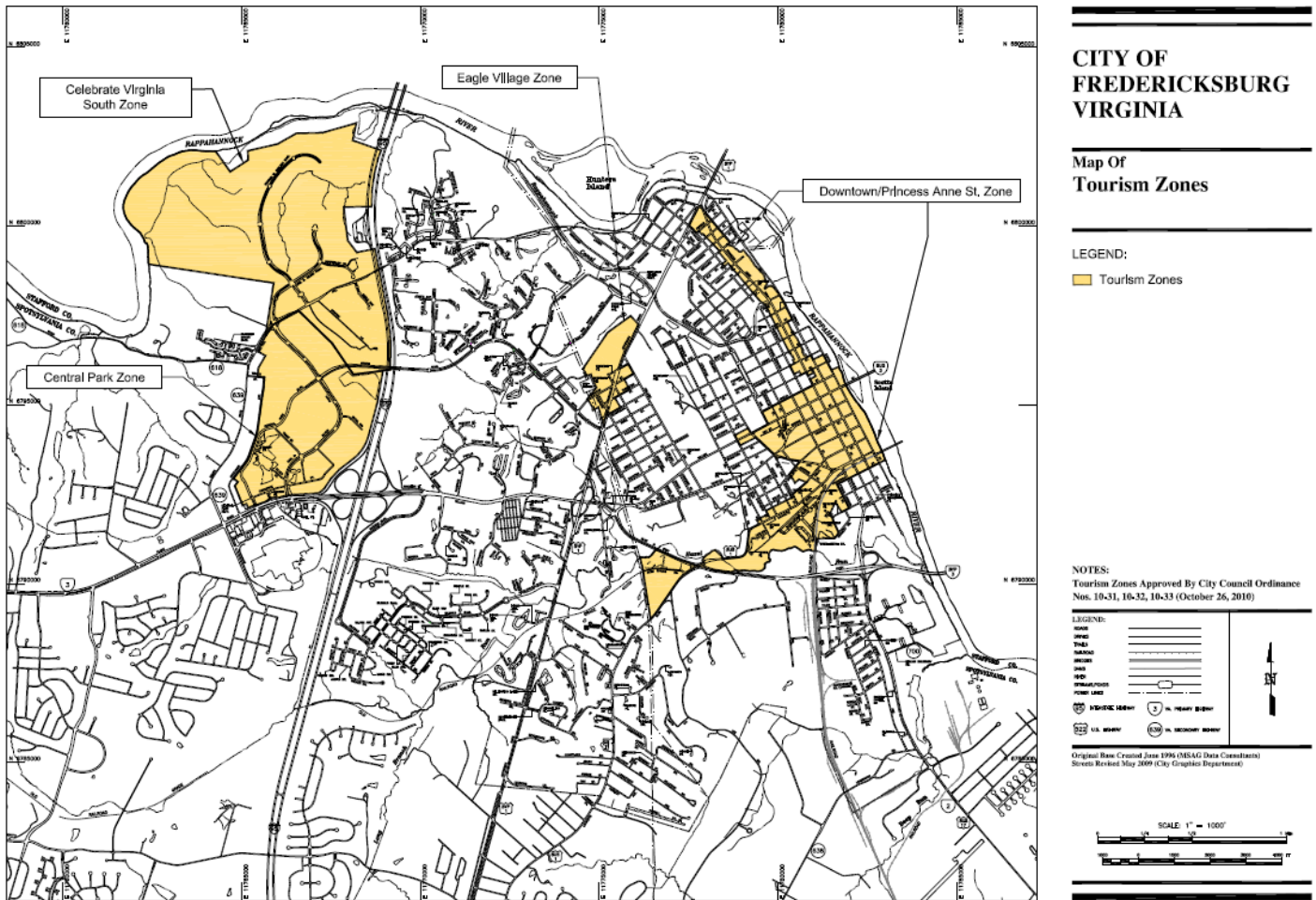
Localities interested in pursuing the Commonwealth of Virginia Tourism Development Financing Program will need to have a defined tourism zone(s) within which the proposed project is contained. Virginia cities, counties, or towns can currently establish such tourism zones as allowed for in the Code of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

2006 Virginia Code § 58.1-3851 - Creation of local 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.

Tourism Zone Examples

(2006, c. 642; 2008, c. 462.)



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

	New	Expanding	Existing
Eagle Village + Celebrate Virginia South-Central Park			<ul style="list-style-type: none"> - Minimum \$500,000 capital investment - create at least 25 jobs
Downtown - Princess Anne Street	<ul style="list-style-type: none"> - Minimum \$250,000 capital investment - create at least 10 jobs 		<ul style="list-style-type: none"> - Minimum \$125,000 capital investment - create at least 5 jobs

Tourism Development Zone --- Downtown



A Tourism Development Zone is a designated geographic area of the city identified for increased growth in tourism related businesses. Targeted businesses, identified using the NACIS code, may be eligible for special incentives based on business criteria. To see if you qualify, refer to the detailed map and program description at www.WaynesboroBusiness.com, then, review each of the seven business criteria below and calculate points earned based on your new or expanding business. Possible incentives are listed on the back of this sheet.

Business Criteria				A	B	C
1	Capital Improvement - new construction or improve existing facility	New	Level	\$250,000	\$500,000	\$750,000
			Points	5	10	15
		Rehab	Level	\$25,000	\$50,000	\$75,000
			Points	5	10	15
2	Job Creation FTE - - new construction or improve existing facility	New	Level	2	3	4
			Points	5	10	15
		Rehab	Level	1	2	3
			Points	5	10	15
3	Wage Level % Federal Min Wage	Level	175%	150%	175%	
		Points	0	0	5	
4	Employee Benefits	Level	None	None	Partial	
		Points	0	0	5	
5	Industry - Match to Strategic Plan	Yes / no		Y=5 N=0	Y=5 N=0	Y=5 N=0
6	SWAM	Yes / no		Y=5 N=0	Y=5 N=0	Y=5 N=0
7	Building	Own		Y=5 N=0	Y=5 N=0	Y=5 N=0
8	Strategic Plan Industries name			Recreation, Retail, Restaurants, Arts & Culture, Museum, Winery, Brewery		
	Strategic Plan Industries NAICS			Reference application for specific four digit NAICS codes		

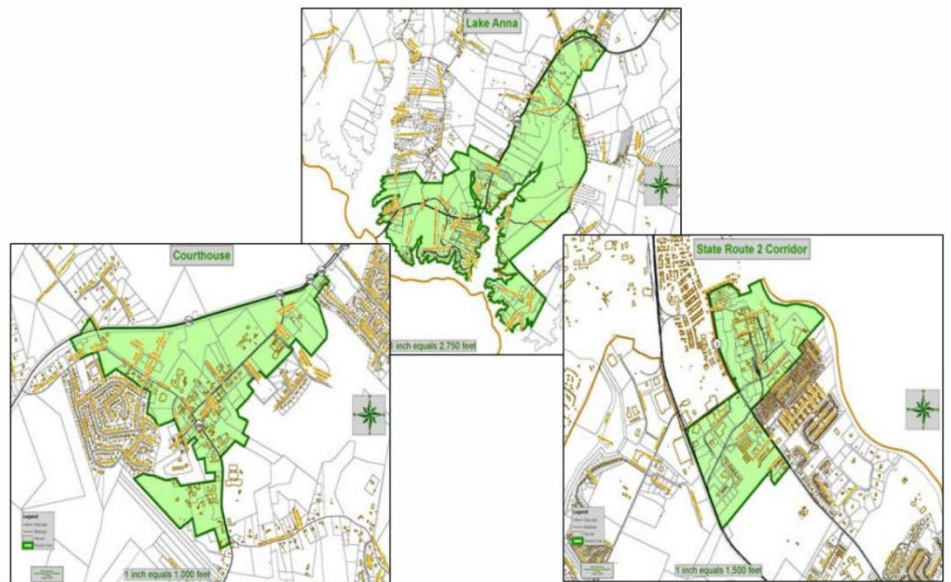
Possible Incentives		Points Total from other side		
		15	20-40	45+
1	Reimbursement of Real Estate Tax	0	3	5
2	Reimbursement of M & P or BPP Tax	yr 1- 10% yr 2- 5%	yr 1- 30% yr 2- 15% yr 3- 5%	yr 1- 50% yr 2- 25% yr 3- 10%
3	Reimbursement of Building Permits	25%	50%	75%
4	BPOL fee	Yes	Yes	Yes
5	Sign fee	Yes	Yes	Yes
6	WDDI membership	Yes	Yes	Yes
7	Chamber membership	Yes	Yes	Yes
8	Training scholarships	\$ 300	\$ 300	\$ 300
9	Marketing assistance	\$ 1,000	\$ 1,000	\$ 1,000
10	Façade / Landscape program	Yes	Yes	Yes
11	Job creation grant- rehab building	Yes	Yes	Yes
12	EDA RLF reduction in interest rate	25%	50%	75%
13	Refund application fee	25%	50%	75%

Spotsylvania County, VA

Tourism Zone Program

The Tourism Zone Program serves both new and existing qualified businesses, affording tax rebates on Business, Professional and Occupational License (BPOL) and Machinery & Tools Tax (M/T). The qualified business is also placed in the County's Targeted Industry Program, initiating the Fast Track Development Review Process. There are three designated Tourism Zones in the County to encourage growth in Spotsylvania's Tourism sector.

Zone Maps



Qualifications

A Tourism Business

- 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.

Existing Tourism Businesses must meet **one** of the following criteria:

- Capital Investment of at least \$250,000 over the base year

New Tourism Businesses must meet **one** of the following criteria:

- Provide Capital Investment of at least \$500,000 within the boundaries of the Tourism Zones

Conditions that apply to both Existing and New Tourism Businesses

- The Tourism Business must meet and maintain the minimum qualifying employment and investment levels through Year 5 in order to qualify as a Qualified Tourism Business.

Incentives Available

Tax Rebates:

- Rebate on business, professional and occupational license tax imposed by the County
- Rebate on machinery and tools tax imposed by the County
- For those Qualified Tourism Businesses that are Existing Tourism Businesses, rebates shall only be applicable to taxes assessed on the portion of gross receipts or acquired machinery and tools directly attributable to the expansion of the business.

Targeted Industry Status:

- Qualified Tourism Businesses shall be placed in the County's established Fast Track Development Review, Permitting and Inspections program.

For more information and full details on the Spotsylvania County Tourism Zone Program call 1-540-507-7210 or visit www.spotsylvania.org