

FINANCIAL ASSISTANCE

Qualified businesses locating to, or expanding in, Frederick County, Virginia, may qualify for financial incentives, at the sole discretion of the Frederick County Board of Supervisors. Businesses within targeted development sectors receive priority consideration.

Targeted Sectors:

Advanced Manufacturing

Niche Industry Targets

Plastic products | Engineered wood products | Fabricated metal products | Bioscience | Supportive Logistics Consulting & Trucking Operations

Headquarters & Back Office

Niche Industry Targets

Corporate Headquarters | Back Office | Service Centers

Professional & Creative Services

Niche Industry Targets

Information & Communication Technology | Data Centers | Cyber Security Engineering

Agribusiness & Food Processing

Niche Industry Targets

Specialty Food & Beverages | Packaged Foods | Perishable Foods | Beverages & Breweries

Local Incentives & Qualifications

- **Public Infrastructure Improvements** (roads, sidewalks, parking facilities, etc.)
- **Match of the Virginia Jobs Investment Grant**
- **Match of Commonwealth Development Opportunity Fund or Cash Appropriations** (as authorized by Virginia Code § 15.2-953 or other applicable law)

INCENTIVE	MINIMUM REQUIREMENTS
New Businesses Locating	<ul style="list-style-type: none"> • Create 5 new jobs over 36 months, paying at least 100% of Frederick County's median wage (\$44,266). • Make \$5 million taxable investment in buildings, land, and equipment over a 36 month period. • Frederick County, VA, must be competing with another jurisdiction for the company's final location decision.
Existing Businesses Expanding	<ul style="list-style-type: none"> • Create 5 new jobs, AND must receive a Virginia Jobs Investment Program grant. (Projects qualifying for The Governor's Agriculture and Forestry Industries Development Fund or Virginia Investment Performance Grant are exempt from the minimum job threshold, but must maintain stable employment levels) • Make \$500,000 taxable investment in buildings, land, and equipment over a 36 month period. (Projects qualifying for The Governor's Agriculture and Forestry Industries Development Fund are exempt from the minimum investment threshold) • Frederick County, VA, must be competing with another jurisdiction for the company's final location decision. (Projects qualifying for The Governor's Agriculture and Forestry Industries Development Fund are exempt from this requirement)

FINANCIAL ASSISTANCE

LOCAL INCENTIVES PROCESS

Frederick County EDA (FCEDA) works with the Frederick County Board of Supervisors on a grant request once project details have been solidified. Once the level of public investment has been agreed to, a contract of understanding is executed detailing the company's and community's investments and expectations.

- Each grant request is reviewed independently to ensure a company's unique needs are met
- Any project receiving public investment must have the announcement coordinated through FCEDA or the Virginia Economic Development Partnership via the Governor's Office

Factors that Could Result in Increased or Decreased Public Investment:

- Amount of qualifying match from Virginia
- Qualifying, project-related expenditures (site infrastructure development, training, etc.)
- Availability and amount of other local incentives offered
- Projected local revenue generated by the project based on Return on Investment analysis
- Receipt of approvals from Frederick County Board of Supervisors

ADDITIONAL LOCAL FINANCIAL BENEFITS

Fast Track Permitting

POC for Pre-Qualified Projects

Ensures permits and inspections are completed in a timely manner to meet the desired occupancy time line. Assistance with securing permits with Virginia Department of Environmental Quality is available.

Tax Assessment Cost Avoidance

Assessed Annually on January 1

Machinery, tools, and business equipment installed after January 1 are not taxed until January 1 of the following year.

Technology Zones

For information technology companies

Information technology companies locating to Frederick County may be considered for local permit and user fee waivers, local tax incentives, special zoning treatment, or exemptions from ordinances.

Foreign Trade Zones

Available for Business-Zoned Properties

Businesses in Frederick County can benefit from Washington Dulles Zone #137. Activated businesses can reduce or eliminate duty on imports and take advantage of other benefits.

Opportunity Zone

Census Tract ID: 51069051102

Investors may receive tax benefits on currently unrealized capital gains that are invested through Opportunity Funds in Frederick County's Opportunity Zone. Guidelines are established by the US Treasury and the designation is permanent until December 31, 2028.

Tax Exemptions

Real Estate

Companies may qualify for partial exemption from taxation for up to 15 years for qualifying real estate (at least 25 years old) that has been substantially rehabilitated for commercial or industrial use.

FINANCIAL ASSISTANCE

Virginia Incentives

DISCRETIONARY INCENTIVES

Agriculture & Forestry Industries Development Fund (AFID)	Provides grants to localities for businesses that add value to Virginia-grown agriculture and forestry products.
Commonwealth's Development Opportunity Fund (COF)	Provides "deal-closing" grants at the Governor's discretion to secure a company location or expansion in Virginia.
Major Eligible Employer Grant Program (MEE)	Provides grants to companies to make investments and provide a significant number of stable jobs through significant expansion or new operation.
Port of Virginia Economic and Infrastructures Development Grant (POV Grant)	Provides grants to companies that construct new maritime-related employment centers or expand existing centers.
Virginia Economic Development Incentive Grant (VEDIG)	Provides grants to companies that invest and create new employment opportunities by locating significant headquarters, administrative, or service sector operations in Virginia.
Virginia Investment Performance Grant (VIP)	Provides grants to existing Virginia manufacturers or manufacturing-related research and development services that continue capital investment in the Commonwealth.

FINANCIAL ASSISTANCE

Virginia Small Business Financing Authority (VSBFA)	Provides small businesses and communities with debt financing resources for business formation and expansion.
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INFRASTRUCTURE ASSISTANCE

Economic Development Access Program	Provides funds to localities for road improvements needed to create adequate access for new or substantially expanding companies.
Rail Industrial Access Program	Provides funds to construct railroad tracks to new or substantially expanded industrial and commercial projects having a positive impact on economic development in Virginia.
Transportation Partnership Opportunity Fund (TPOF)	Awards grants, revolving loans, or other financial assistance to an agency or locality for projects related to transportation capacity expansion.

RECRUITMENT & TRAINING INCENTIVES

Virginia Jobs Investment Program (VJIP)	Provides services and funding to companies creating new jobs or implementing technological change to reduce human resource development costs for new companies, expanding companies, and companies retraining their employees.
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TAX INCENTIVES

Commercial and Industrial Sales & Use Tax Exemption	Offers sales and use tax exemption for purchases used directly in production or research and development.
Data Center Retail Sales & Use Tax Exemption	Offers exemption for qualifying computer equipment or enabling software purchased or leased for use in certain data centers in the Commonwealth that meet minimum investment and job creation requirements.
Green Job Creation Tax Credit	Offers annual individual or corporate income tax credit for each new green job meeting minimum hours requirements in taxable years beginning before January 1, 2021.
International Trade Facility Tax Credit	Offers income tax credit for capital investment or job creation related to an international trade facility.
Major Business Facility Job Tax Credit	Offers \$1,000 income tax credit for each new full-time job created over a jobs threshold for companies locating or expanding in Virginia.
Major R&D Expenses Tax Credit	Offers individual and corporate income tax credit for incurring more than \$5 million of Virginia qualified research and development expenses in taxable years beginning on or after January 1, 2016.
New Company Incentive Program	Offers an exemption from corporate income tax, and up to \$2,000 per new job, for companies with no employment or property in the state prior to January 1, 2018 and that meet statutory investment and employment requirements.
Port Volume Increase Tax Credit	Offers corporate income tax credit for manufacturing, distribution, agriculture, and mineral and gas companies that increase usage cargo volume at Virginia's port facilities.
Recyclable Materials Processing Equipment Tax Credit	Offers income tax credit to manufacturers for the purchase of certified machinery and equipment used for processing recyclable materials beginning before January 1, 2020.
Refundable R&D Expenses Tax Credit	Offers individual and corporate income tax credit for taxpayers with qualified research and development expenses in Virginia under \$5 million per year.

Last Updated January 2019

FINANCIAL ASSISTANCE



CASE STUDY NO. 1

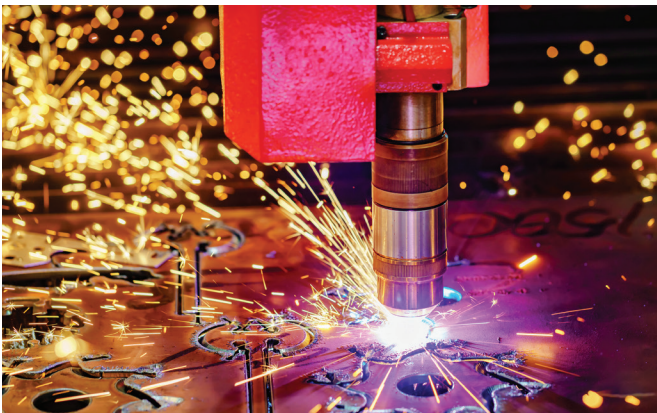
Distribution Company

Committed to making a \$25 million new, local taxable investment and creating 150 new jobs. Local and state governments provided \$300,000 to assist in securing its location. The company received \$60,000+ in workforce training assistance.

CASE STUDY NO. 2

Manufacturing Company

Purchased an existing facility and committed to making a \$12 million new, local taxable investment, purchasing the existing facility for \$24 million, retaining 200 jobs, and creating 50 new jobs. Local and state governments provided \$500,000 to assist in securing its location. The company received \$500,000+ in workforce training assistance and \$300,000 in Industrial Road Access funds.



CASE STUDY NO. 3

Manufacturing Company

Manufacturing company committed to making an \$84 million new, local taxable investment and creating 170 new jobs. Local and state governments provided \$1.1 million to assist in securing its location. The company received \$300,000 in Industrial Road Access funds.