

## 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

Boiler, tank, and shipping containers | Cement/concrete | Control instruments | Electric vehicles and components | Lime/gypsum | Metals | Petroleum/coal | Plastics | Printing | Wood

#### Bioscience

##### Niche Industry Targets

Medical and diagnostic laboratories | Pharmaceutical and medicine manufacturing | Scientific research and development services

#### Corporate Services

##### Niche Industry Targets

Administrative services | Management of companies and enterprises | Professional, scientific, and technical services

#### Finance & Insurance

##### Niche Industry Targets

Depository credit intermediation | Non-depository credit intermediation

#### Food & Beverage

##### Niche Industry Targets

Animal | Dairy | Fruit and vegetable | Grain | Specialty

#### Information Technology

##### Niche Industry Targets

Computer systems design and related services | Data processing, hosting, and related services

## Local Incentives & Qualifications

- **Public Infrastructure Improvements** (roads, sidewalks, parking facilities, etc.)
- **Match of the Virginia Jobs Investment Program**
- **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"> <li>• Create 5 new jobs over 36 months, paying at least 100% of Frederick County's average wage.</li> <li>• Make \$5 million taxable investment in buildings, land, and equipment over a 36 month period.</li> <li>• Frederick County, VA, must be competing with another jurisdiction for the company's final location decision.</li> </ul>
Existing Businesses Expanding	<ul style="list-style-type: none"> <li>• 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).</li> <li>• 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).</li> <li>• 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).</li> </ul>

## 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.** When 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

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### 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.

## 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.

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

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

### RECRUITMENT & TRAINING INCENTIVES

<b>Virginia Jobs Investment Program</b> (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.
<b>Virginia Talent Accelerator Program</b>	Provides world-class training and recruitment solutions that are fully customized to a company's unique operations, equipment, standards, and culture. All program services are provided at no cost to qualified new and expanding companies as an incentive for job creation.

### TAX INCENTIVES

<b>Barge &amp; Rail Usage Tax Credit</b>	Offers per-unit credit for "international trade facilities" that transport containers using barge or rail, rather than trucks or other motor vehicles on Virginia's highways.
<b>Commercial and Industrial Sales &amp; Use Tax Exemption</b>	Offers sales and use tax exemption for purchases used directly in production or research and development.
<b>Data Center Retail Sales &amp; Use Tax Exemption</b>	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.
<b>Green Job Creation Tax Credit</b>	Offers annual individual or corporate income tax credit for each new green job in the field of renewable or alternative energy.
<b>International Trade Facility Tax Credit</b>	Offers income tax credit for capital investment or job creation related to an international trade facility.
<b>Major Business Facility Job Tax Credit</b>	Offers \$1,000 income tax credit for each new full-time job created over a jobs threshold for companies locating or expanding in Virginia.
<b>Major R&amp;D Expenses Tax Credit</b>	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.
<b>New Company Incentive Program</b>	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.
<b>Port Volume Increase Tax Credit</b>	Virginia's Port Volume Increase Tax Credit benefits manufacturing, distribution, agriculture, and mineral and gas companies that utilize Virginia's port facilities. A company that increases its usage by 5% in a single calendar year over its base year of port cargo volume can receive \$50 per TEU in excess over the previous year's cargo volume.
<b>Recyclable Materials Processing Equipment Tax Credit</b>	An income tax credit is available to manufacturers for the purchase of certified machinery and equipment used for processing recyclable materials in taxable years beginning before January 1, 2025.
<b>Refundable R&amp;D Expenses Tax Credit</b>	Offers individual and corporate income tax credit for taxpayers with qualified research and development expenses in Virginia under \$5 million per year.
<b>Worker Training Tax Credit</b>	Offers employer tax credit of 35% for eligible training costs to qualified employees, or for the direct costs of providing manufacturing training or instruction to middle and high school students.

## 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 for \$24 million and committed to making a \$12 million new, local taxable investment, 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.